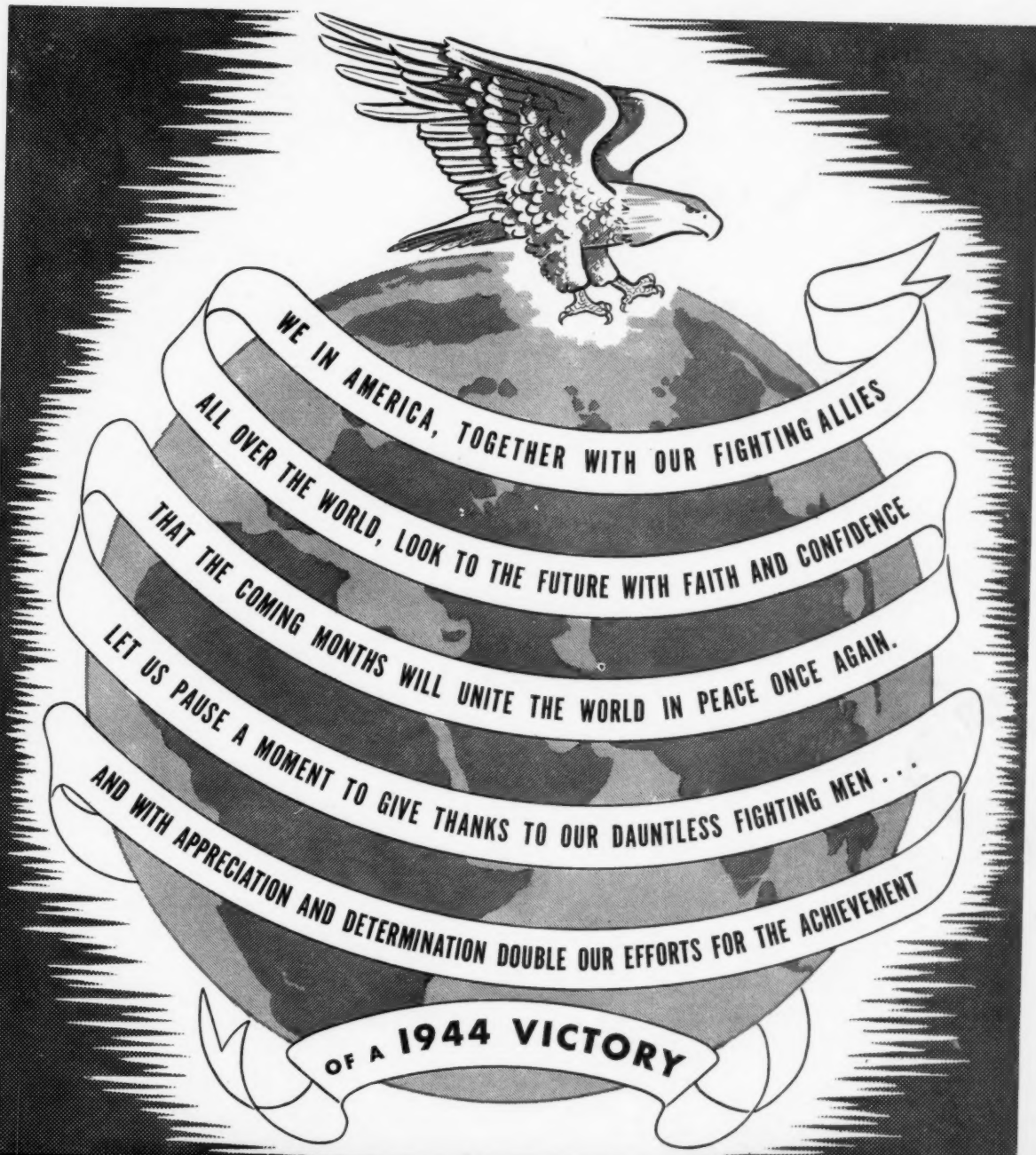


The NATIONAL UNDERWRITER



CRUM & FORSTER MANAGERS



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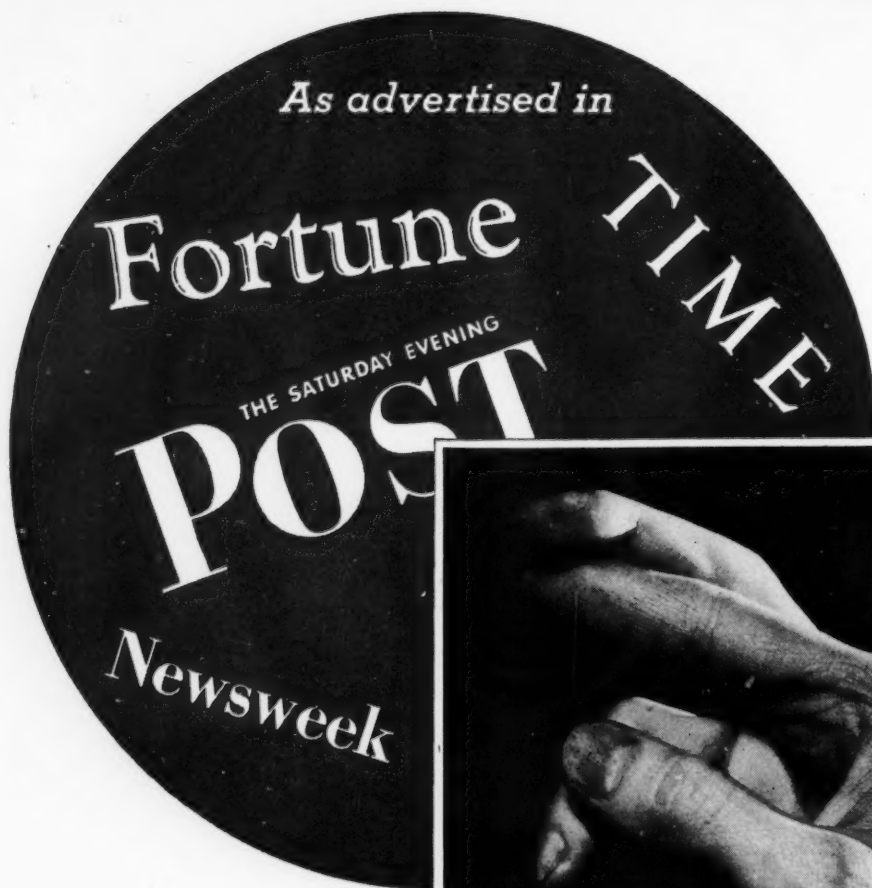
United States Fire Insurance Co.
The North River Insurance Co.
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The Allemannia Fire Insurance Co. of Pittsburgh

Organized 1824
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Richmond Insurance Co. Organized 1836
Western Assurance Co., U. S. Branch Incorporated 1851
British America Assurance Co., U. S. Branch Incorporated 1833
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THURSDAY, JANUARY 6, 1944



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New Haven Fur Loss Final Figure Will Exceed \$3,000,000

**Will Be About \$2,000,000
Above Highest
Early Estimates**

NEW HAVEN—With the big majority of the claims in the Yale Cold Storage warehouse fire settled, it is now clear that the aggregate loss on fur coats and other garments stored will exceed \$3,000,000. At the time of the fire it was believed that the loss would range from \$1,500,000 to \$2,000,000.

Out of a total of approximately 29,000 claims nearly 22,000 had been settled by this week for a total of nearly \$2,400,000. This is an average of just under \$110 per garment and even if the remaining 7,000 or so claims should be settled on the same average basis as those that have already been disposed of the total would exceed \$3,000,000. It is expected, however, that the average value of the remaining coats will run from \$115 to \$120.

One feature of the loss which caused it to run higher than first anticipated was the small percentage of reconditioned coats that were accepted by their owners. About 2,000 garments have already been offered to their owners but nearly all declined to accept them. It is probable that the sale of the salvaged coats will bring no more than enough to pay for the cost of trucking, storing, checking, and reconditioning. In other words, the insurers will come out about where they would have if they could have left the entire soggy mess to be carted off by the New Haven refuse collectors. However, the latter course could not have been taken even if the companies had believed they would save money by it since it is the insurer's obligation to protect the interests of its insured.

A bright spot, on the other hand, was that the number of cases where coats could not be identified, because of water soaked labels coming loose, was much smaller than was at first expected. It proved only a minor source of trouble.

The sending out of reconditioned coats to the furriers who stored them with Yale is still continuing at the rate of about 25 a day. There appears to be no likelihood, however, of an appreciable increase in the percentage of acceptances by owners.

With a total of 29,000 claims the loss was said by Vice-president E. J. Perrin of Automobile in an interview in the New Haven "Register" to have been the largest in number of claims for any fire loss since the San Francisco fire. Automobile insured the big majority of the coats. The case involved numerous complexities and a vast amount of detail work both for the Fire Companies Adjustment Bureau, which handled the loss, and Underwriters Salvage Company of New York, which took over the drenched garments at the warehouse and supervised their checking, storage, reconditioning and return to their owners.

A. C. Bennett, supervisor inland marine division, Fire Companies Adjustment Bureau, who was in charge of the loss, put in nine weeks during which he worked from 9 a. m. to 10 p. m. every day except Sundays. Assisting him were B. L. Jones, supervisor auto-

(CONTINUED ON PAGE 10)

S. E. U. A. Supreme Court Brief Is Hard Hitting

NEW YORK—In a hard-hitting brief that strikes straight at the real heart of the question—the confusion and harm that would result from applying the Sherman act to insurance—counsel for the Southeastern Underwriters Association this week replied to the government's appeal to the U. S. Supreme Court from the lower court's dismissal of the indictment against the S.E.U.A.

More than just a legal argument, the S.E.U.A. brief gives a graphic but not overdrawn picture of what the companies and their executives would face during the many years that would be required to resolve the numerous conflicts that would arise between state and federal law should the Sherman act be held valid with respect to insurance. It tells just what the Department of Justice is trying to do in asking to have the act applied to insurance.

Contrast Is Emphasized

The brief emphasizes the contrast between the situation of the usual type of business faced with compliance with the Sherman act and the plight of the insurance executive, who would on many points be in danger of violating the state's laws if he played safe with respect to the Sherman act or else of going counter to the federal law if he stuck to the state's requirements. If he tried to steer a middle course and comply with both sets of laws he might be accused of violating both state and federal laws. Naturally this chaotic condition would finally be cleared up in the course of years but in the meantime the conditions would impose unreasonable hardships on the companies and their executives.

Taking issue with the government's contention that nullification of state regulation would do no harm because the rating bureaus and attendant cooperative action could continue with the Justice Department's blessing, the S.E.U.A. brief declares that the department's suggestion that it could "authorize" these practices under its suggested modification of the Sherman act is without merit.

THEORY OF SHERMAN ACT

"It is perfectly apparent," the brief states, "that the basic principle of the Sherman act is diametrically opposed to the principles on which state regulation is based. The Sherman act is intended to require free and unrestricted competition. In enforcing that act it has been the principle of the government authorities that price war fare is to be encouraged; that anything which results in stabilization is tabu; that under ordinary conditions prices should follow a continuous downward spiral of underbidding; that bankruptcy is the normal and inevitable concomitant of competition required under the Sherman act."

"It has been the policy of the government under the Sherman act that anything which pegs, stabilizes, puts a bottom under, or otherwise tampers with the price structure is illegal per se under the literal enforcement of the doctrine of the Madison oil case."

Skeptical of Justice Department

"Under these circumstances it is not to be wondered that the defendants are very skeptical indeed of any suggestion that the department would regard with acquiescence and complacency the continued operation of rating bureaus which might not only compute statistics as to the proper ratio of burning losses, but might even 'evaluate' risks contain-

ing necessarily elements of judgment. The defendants have good reason to fear that if rating bureaus should prepare such tables and evaluations—and if they were intended to be used and were actually used in any substantial and effective manner, either to determine the proper differentials between different classes of risks or as bottoms below which rates should never go—the Department of Justice and the Federal Trade Commission would treat such action exactly as they have treated other association activities."

"What assurance could the defendants have that the government agencies would not immediately move in with the usual charges of 'Gary dinners,' 'stabilization,' 'tacit understandings,' 'concert of action,' 'price leadership,' 'bodies organized to receive such intimations and act thereon,' 'purpose and effect of limiting competition,' and other expressions which are the familiar language of trade association cases."

Burning Tables Not Sufficient

"Moreover, there is no merit in the suggestion that tables evaluating burning risk upon an actuarial basis (which is only one factor of fire insurance cost) would of themselves be sufficient—even if generally used to protect the companies from insolvency. If insolvency is to be avoided, the companies must recover not merely one factor of their costs, but their entire cost, including the cost of doing business and the cost of building up reserves against general conflagrations which lie outside the normal burning loss."

"Is there any doubt that the government would regard agreements not to sell below cost—or any part of cost—as a violation of the Sherman act? To repeat, the Sherman act regards bankruptcy as normal."

"The states have built up a comprehensive system of legislation based upon exactly the opposite principle—namely, that solvency is the first requisite of any intelligent regulation of insurance—and that unrestricted rate competition is incompatible with solvency. The application of the Sherman act would not merely affect that system in minor and unimportant ways, it would cut the very heart out of it."

Also Forbids Cooperative Rates

The brief points out that the system of state regulation could not conceivably be saved by application of the doctrine of Parker vs. Brown, 317 U. S. 341, since that case involved state regulation which was in conformity with and in support of federal agricultural legislation which was intended to set aside the Sherman act and expressly contemplated state cooperation in its enforcement.

(CONTINUED ON PAGE 27)

Haefner WSA Insurance Head

WASHINGTON—L. J. Haefner, formerly marine secretary at the head office of Fireman's Fund, was this week formally appointed director of wartime insurance, War Shipping Administration, succeeding Percy Chubb. The latter is assistant deputy administrator of WSA for fiscal affairs, which includes insurance. Since Mr. Chubb's promotion several weeks ago, Mr. Haefner has been acting director of insurance. He has been in Washington about 16 months.

Oral Arguments in Momentous Cases Set for Jan. 10

**Supreme Court Gives 3
Hours on S.E.U.A.—
Polish National Follows**

WASHINGTON—"Off agin, on agin, gone agin, Finnegan" may be the theme song of the U. S. Supreme Court, it has been suggested, as a result of the latest development regarding its hearing of the Southeastern Underwriters Association case next Monday.

After receiving a request last Monday from Senator O'Mahoney of Wyoming, for time to participate in the arguments, the court went into conference late in the day and decided against granting it. At the same time the court decided to cancel its permission previously granted to Representative Sumners, Texas, chairman House judiciary committee, to present argument for 30 minutes.

The court is expected to get to the case Monday, but since that is the day it reads decisions, the hearing may run over. The court hears cases on Monday only from 12 to 4 o'clock.

Information received by O'Mahoney from the court on Tuesday is understood to indicate that the court decided that if his request were granted the S.E.U.A. case might be regarded as involving the court in a political issue. Therefore, his request was denied and permission to Sumners withdrawn.

The court notified Sumners' office that his permission was canceled, it is understood, on the ground that too many requests for appearances had been received. It was said at Sumners' office that "other members of Congress" wanted to be heard.

The net effect of the latest court action was to reduce the allotted time for the arguments to a total of three hours, 1½ hours to each side.

O'Mahoney's request to the Supreme Court for time was filed after his attention had been called to the allowance of 30 minutes to Sumners. O'Mahoney wrote in substance that a constitutional question is involved and that the issue is before Congress in the states rights bills.

Least the court should get only one Congressional point of view and in order that the court record might not indicate by Sumners' appearance alone that there is only one opinion in Congress on the subject O'Mahoney asked 30 minutes for himself to appear as amicus curiae on the side of the Department of Justice.

The court thus will not get any Congressional view of the problem about to confront it. However, it is believed it can take judicial notice of the fight over the states rights bills.

Recognizing the importance of the issues involved, the court has extended the time for argument in the S.E.U.A. case to a total of three hours. Customarily the court allows an hour on a side to argue the average case.

As of Dec. 30, the attorney generals of 25 states had agreed to join in the brief to be filed by the Georgia attorney general as amicus curiae opposing the

(CONTINUED ON PAGE 22)

Elmore, Aid to Biddle in S.E.U.A. Fight, Resigns

NEW YORK—Frank H. Elmore, Jr., who as special assistant to the U. S. Attorney-General has been in charge of the anti-trust prosecution of the fire companies of the Southeastern Underwriters Association, has resigned to join the New York City law firm of Wise, Corlett & Canfield. He is resident partner in charge of the Washington office which the firm opened Jan. 1.

Mr. Elmore was with the Justice Department for six years. Before that he was a partner in a Jacksonville, Fla., law firm. Though he was their opponent in a legal battle of the first importance, representatives of the fire companies and associations he was prosecuting found Mr. Elmore a likeable and reasonable man and the relationships were always pleasant.

The law firm Mr. Elmore has joined has a general practice and also represents the American Paper & Pulp Association and several other associations in the paper field. Mr. Elmore's work will consist mainly of representing the paper interests in federal matters.

At the hearing before the Senate judiciary subcommittee on the states' rights bill when Attorney General Biddle was the main witness an incident occurred that caused considerable gossip as to Mr. Elmore's position. At one point Mr. Elmore, who was at Mr. Biddle's side, rose to say something or to furnish some material to the committee. Mr. Biddle in very sharp tones ordered Mr. Elmore to sit down.

Confirming his retirement from the Department of Justice, Mr. Elmore remarked that he could not "say with Mark Twain that the report of his death was greatly exaggerated."

Officially, Mr. Elmore's resignation became effective Jan. 1, but his separation from the department will actually take place "by degrees," it was indicated. It is planned that he spend part of his day at the department for some time.

Meanwhile, he has taken offices in the Tower building.

Insurance people have speculated about the reasons for Mr. Elmore's retirement at the strategic hour of the government prosecution of the S. E. U. A. However, Mr. Elmore says he has been contemplating resignation for a long time.

Attention was called that his name remains on the government's brief in the U. S. Supreme Court. Though Attorney General Biddle will argue for the government, it was stated that Mr. Elmore is "not entirely separating himself from the case," but "will be subject to call" for service on it.

Iowa Mutual Enters Turkey Field: Backed by Feed Firm

Midland Mutual of Waterloo, Ia., has been reorganized into a mutual fire company, renamed Pilgrim Mutual and moved to Cedar Rapids. It has been licensed in Iowa to write fire and inland marine and will become the first Iowa company to handle turkey insurance. The insurance department has given tentative approval to a turkey insurance policy.

Glenn A. Andreas is president of the new company and M. A. Lathrop secretary. Andreas is one of the officers of the Honeycomb Products Company of Cedar Rapids, a feed manufacturing company. Under present plans Pilgrim Mutual will sell turkey insurance to feed customers of the Honeycomb company. It plans to license salesmen of the Honeycomb firm so that they can sell the insurance when they make feed sales. For the present it is expected to limit its activities to this field.

O'Mahoney Starts on the Warpath in the New Year

WASHINGTON—With the opening of the new year, Senator O'Mahoney of Wyoming renewed his demand for further hearings on the states rights bills. Chairman Van Nuys of the Senate judiciary committee was reported to have indicated that these hearings were finished.

"He did not so indicate to me," said O'Mahoney. "The hearings should continue. We have not begun to get answers to questions asked. Perhaps the National Board could give more information."

O'Mahoney said he did not have in mind any particular witnesses.

"The correspondence coming to my desk as a result of the publicity given to the judiciary subcommittee hearings indicates that the propaganda of the insurance companies is not taking hold, but that insurance agents, cities and states are very much dissatisfied with discriminatory insurance rates," O'Mahoney stated.

Wants National Board Investigated

As a sample, he read a letter received from an unnamed correspondent whom he described as a responsible person, and who indicated that he was connected with an organization installing water systems. The correspondent urged that the National Board be investigated. He wrote that the board has made reports on 500 cities; that it has urged installation of larger water mains, better equipment, etc.; that it has intimated that insurance rates would be "improved."

Rarely, however, have the rates been reduced, according to the correspondent. The board's requirements are so stiff, he wrote, that it has been practically impossible to comply with them. Meanwhile, he charged, the policyholders lose out paying high rates.

Pacific Board Wins Separation Suit

The superior court of Monterey county, Cal., has sustained demurrers filed by the Pacific Board and other defendants in suit brought by Xum H. Speegle, local agent of Salinas, in which he charged damages as a result of certain member companies of the board withdrawing from his agency in enforcement of a separation agreement. Demurrers were sustained by minute order of court as to all defendants without leave to amend on the ground the complaint did not state a cause of action. The Salinas Association of Insurance Agents and a number of board companies were named joint defendants.

Holcomb Cincinnati Speaker

CINCINNATI—Aviation insurance forms and rating procedure, field supervision, a sales program and the future of aviation insurance was discussed by G. D. Holcomb, field representative of Aero Insurance Underwriters at the C.P.C.U. class here. The educational committee of the Cincinnati Fire Underwriters Association invited all members to attend.

Carter Eyes Farm Future at Annual Convention

Optimism about the future of the farm business, tempered by past experience, was expressed by Rush W. Carter, manager of the farm department of Aetna Fire, in his address as retiring president of the Farm Underwriters



RUSH W. CARTER

Association, at the annual meeting in Chicago Wednesday.

The immediate future looks reasonably good for the farmer, he said. Even if there is a considerable reverse in the present favorable financial situation of the farm population, neither the farmer nor the farm insurers should suffer as much as they did after the last war. There has not been a big increase in creation of fixed property values, the largest gain in insurance coming from coverage of farm personal property, which will adjust itself readily. The farmer is in a better position as to mortgage indebtedness, he said. Mortgages are being paid off. New purchases are being made with cash.

Farm fire losses in 1943 increased, and tornado claims were heavy, but farm underwriters are not yet convinced this represents a serious trend, Mr. Carter said. The many small tornado claims constitute a problem, he added, coming on top of really serious storms. Income was up, and the farm business generally will show a moderate profit for the year.

Mr. Carter recommended an expansion in the public relations work of the association, in the field of rural fire prevention and along other lines. He urged that the companies plan now to conduct educational programs for rural agents, especially after the war when there will be new blood in that field. Not too much has been done in the past, he said.

The association is proud of its contract, a standard policy sold to everyone, Mr. Rush commented. New companies are getting into farm business, now that it is good, and are experimenting with farms. This is dangerous because the business is subject to violent fluctuations. The objective of the asso-

New Standard Policy for Ala., Tenn. March 1

NASHVILLE—The use of the 1943 standard fire insurance policy has been approved by Commissioner McCormack for adoption in Tennessee effective March 1, according to an announcement of the commissioner Tuesday. The use of this form of policy had previously been recommended by the Tennessee Association of Insurance Agents and many of the local exchanges.

APPROVED IN ALABAMA

The 1943 New York fire policy has been approved by Superintendent Julian of Alabama. The approval is permissive with March 1 and mandatory on Jan. 1, 1945.

POSSIBILITY IN IOWA

The possibility is seen that the 1943 New York standard fire policy may be introduced in Iowa, which now has a statutory form that is unique in many respects. Commissioner Fischer has asked for an attorney general's opinion as to whether the new policy might be introduced without enabling legislation. Some believe that the commissioner does not need legislation to introduce changes that are liberalizations. In any event the Iowa legislature is going into special session this month to take up the soldiers vote question and if legislation is needed it can probably be gotten.

Wolfe Managing Editor of "Southwest Insurer"

DALLAS—Ralph Reed Wolfe has been appointed managing editor of the "Southwest Insurer," it was announced by John C. Leissler, Jr., publisher. Mr. Wolfe is a veteran insurance magazine and newspaper editor who resigned from the legislative department of the Association of Casualty & Surety Executives in New York City to accept the post. He is an alumnus of Trinity College, Hartford, was connected with the Hartford "Courant" and later editor of its first Sunday edition. He left in 1926 to become vice-president of Herbert Clough, Inc., a New York reinsurance firm.

He was field editor of the "Spectator" for several years and then editorial representative of the "Insurance Field" at New York. He also has done publicity work for Aetna Life and Royal-Liverpool groups.

His policy, extend its use, and reduce the cost. It is a good contract, fair to everyone, he said.

W. I. B. Annual Meeting Set for Chicago, May 18

Directors of the Western Insurance Bureau at a meeting in Chicago this week voted to hold the annual convention of the organization at the LaSalle Hotel, Chicago, May 18. Attending the meeting were J. C. Hiestand, Ohio Farmers; Ernest Soenke, Security of Iowa; W. S. Whitford, Millers National; Charles D. James, Northwestern National; Lloyd Brown and Herbert A. Clark, Firemen's, and F. C. Schad, secretary of W. I. B.

The executive committee of the Western Sprinkled Risk Association met on Monday also. This is the liquidating committee, but a subcommittee was named, composed of James Knox, Corroon & Reynolds, and Messrs. Clark and Whitford, to handle liquidation details with George N. Porter, W.S.R.A. manager. Outstanding liabilities were reinsured with Factory Insurance Association as of Jan. 1, but such matters as cancellation of excess contracts, disposition of physical property, etc., remain to be wound up, which will take another 60 days.

THIS WEEK IN INSURANCE

Oral arguments are set for Monday before the U. S. Supreme Court in the momentous S.E.U.A. and Polish National Alliance cases. **Page 1**

S.E.U.A. files hard hitting brief with U. S. Supreme Court in the anti-trust case. **Page 1**

Frank H. Elmore, Jr., special assistant to the U. S. attorney general in charge of the anti-trust prosecution of the S.E.U.A. resigns. **Page 2**

George L. Anderson, associate manager of the livestock transit department of Hartford Fire, retires and E. H. Weber succeeds him. **Page 10**

Indiana is strong for the present system of fire insurance through state regulation. **Page 3**

R. W. Michael of Atlanta, southern manager of Fireman's Fund, is dead. **Page 13**

Indiana court sets aside judgment holding unconstitutional section of Indiana law barring licensing of salaried agents and the case will now go to trial. **Page 15**

W. W. Humphreys of Philadelphia has been appointed chairman of the casualty committee of the National Association of Insurance Agents. **Page 17**

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Thorough Survey of Chicago Manpower

Committee Report Supports Industry Request for 40 Hour Work Week

A survey of the insurance business in Chicago and its operations has been prepared by the industry committee on the 48-hour work week which goes into effect Jan. 16. This is intended to give the War Manpower Commission general information on which it can base decisions in applications by individual insurance offices for modification of the 48-hour work week order. The committee hopes to confer again with W. H. Spencer, regional director of WMC, before Jan. 16, but if such a conference is not possible, the information can be attached by the offices when they file their applications.

The committee also is furnishing individual offices with a typed letter which can be used as the application.

15,287 Employees

The survey of 214 insurance offices employing eight or more persons in Chicago and vicinity showed total employment of 15,287 persons. This compares with 17,438 on Jan. 1, 1942, an 11.2% decrease.

Application of a 48-hour week to the insurance industry would be impractical in view of the nature of the operations, the committee points out in the report. Each office deals with many policy forms and undertakes functions requiring special training and experience on the part of employees that handle them. The insurance business is the equivalent of many unrelated small businesses, the report states. Training in one department or function does not qualify em-

(CONTINUED ON PAGE 23)

Headliners on Bar Panel in Chicago to Weigh Federal Issue

A battery of nationally prominent insurance executives and powerful public speakers comprises the panel that will discuss "Federal Supervision of Insurance" at a dinner meeting Jan. 11 under the auspices of the insurance committee of the Chicago Bar Association. The meeting is to be held in the dining room of the Bar Association at 29 South La Salle street, Chicago, and the public is welcome.

Members of the panel are Thomas I. Parkinson, president of Equitable Society; John M. Thomas, president of National Union Fire and president of the National Board of Fire Underwriters; Chase M. Smith, general counsel Lumbermen's Mutual Casualty; Insurance Director Paul F. Jones of Illinois; Wade Fetzner, Jr., president of W. A. Alexander & Co., Chicago, and chairman of the public relations committee of the National Association of Insurance Agents; Ray S. Bass, treasurer A. E. Staley Manufacturing Company, Decatur, Ill., representing the insurance buyers, and Ambrose B. Kelly, general manager of American Mutual Reinsurance, who will serve as chairman and moderator.

The exchanges will not constitute a debate but rather a discussion of the many questions that have been raised in the S.E.U.A. and Polish National Alliance cases now pending before the U. S. Supreme Court and the introduction of the states rights insurance measures that are now before Congress. The discussion will take place at about the same time that oral arguments will be heard in the Supreme Court in the S.E.U.A. and the Polish National cases. Samuel Levin is chairman of the insurance committee of the Chicago Bar.

Grain Loss Cut to Low Point Under Prevention Program

SEATTLE—The lowest grain loss ratio in the history of the state is reported for 1943 by W. A. Groce, director of civilian protection Washington State Defense Council.

As the result of an intense safety and prevention program inaugurated by the council under the direction of Chief L. L. Burgunder, former head of the Colfax, Wash., fire department, losses in 1943 were cut to 33 fires in all the grain growing counties, with a dollar loss of \$38,613, as compared with 174 fires and a dollar loss of \$487,270 in 1942. The loss in dollars, Mr. Groce said, represents actual insurance losses paid as reported to Commissioner Sullivan.

Meets With Grain Growers

The 1942 prevention program got under way late but in 1943 Chief Burgunder began his work long before the growing grain reached the burning stage. He held meetings of grain growers and in many instances went into the field and talked with farmers. Fire brigades were organized in cooperation with local authorities. In some counties the sheriff maintained a fire patrol throughout the harvest season.

The importance of prevention work is emphasized when it is recalled that of the \$487,270 in loss in 1942, \$348,938 was due to fire caused by exhausts of combine harvesters, tractors and trucks. There were a total of 107 of these fires. Walla Walla had 38 fires in 1942 with a loss of \$241,611. This figure dropped to nine fires in 1943 for a total loss of \$12,608. Walla Walla had the largest number of grain fires and the highest dollar loss of any of the grain counties during the past two years.

Give N. J. Companies Respite in Ohio

COLUMBUS — Superintendent Crabbe of Ohio has given New Jersey companies until Feb. 1 to show cause why they should not be barred from writing the personal property floater in Ohio. Mr. Crabbe issued the order after the New Jersey department had held that Ohio insurers might not write compensation in New Jersey because Ohio has a monopolistic compensation fund. It is understood the companies may seek legislation in Ohio to break the log jam.

Bay State Still Requires Handwritten Statements

In spite of earlier hopes that Massachusetts would relax its requirements for handwritten annual statement copies, Commissioner Harrington has informed the companies that the only concession he feels he can make under the law is to permit the companies to unstaple the pages of the official blanks and type in the required entries for the first 10 pages.

Concession Gives Little Relief

Massachusetts is the only state which will not accept printed or planographed (lithographed) statements. Unfortunately the permission to file typewritten instead of handwritten statements in Massachusetts does not help the companies perceptibly for it takes about as much time and trouble to have the material specially typed as to have it handwritten.

There are only about five lines and two footnotes in the entire statement which are special for Massachusetts. The usual way of handling these where statements are planographed is to cross out the standard printed entries and fill in with ink the special figures or words required by a particular state.

Indiana Strong for State Regulation

Resents Federal Bureaucrats Attempting to Lower Insurance Standards

INDIANAPOLIS—Not because Senator Van Nuys, co-author of the bill under consideration in Congress relating to fire insurance and anti-trust legislation, comes from Indiana, but because Indiana has had a definite program for fire prevention and consequent rate reduction, the press of the state has carried some exceptionally strong boosts for the passage of the measure.

"Indiana's equitable fire insurance rates, established after a tense fight in 1914, are threatened," declares Columnist R. P. Early in the Sunday "Indianapolis Star." "If a plan of the New Dealers in Washington succeeds, provident states like Indiana which have low fire insurance rates will be penalized for the benefit of the less provident states. The plan of the national administration is to seize control in the insurance field and, experts on the subject declare, that will mean, if successful, one thing—uniform fire insurance rates for the nation."

Richard Lieber's Crusade

Richard Lieber, a retired business man, who has devoted many years to conservation projects, was active in this campaign for rate reduction in Indiana, based on an earned record for lower burning ratios. He was the principal mover in the establishment in Indianapolis of a salvage corps and has served as a director since its organization. Mr. Lieber is well known to many fire insurance men through these connections not only locally but nationally.

Referring to the work done by Mr. Lieber and his associates which have become state wide in securing for Indiana lower fire insurance costs, Mr. Early continues: "Those gains that brought about realization of low fire insurance rates can be wiped out overnight under the federal plan of uniform rates." The Indiana plan was adopted by other states which will likewise suffer if the attempt at federal control of the business succeeds.

Insurance Is Defended

An editorial in the "Star" followed up Mr. Early's informative article which went into full details of the attempt to brand as criminals those engaged in the fire insurance business through their indictment by the federal court at Atlanta. "It is almost inconceivable that Congress should quibble over speedy enactment of a measure to safeguard insurance investments from the menace of New Deal expropriation," says this editorial writer. "Most states," he continues, "have established efficient fire insurance systems which protect the interests of firms and individuals and give them the benefit of lower rates. All the advantages gained through years of study and legislative enactment will be jeopardized if the federal administration seizes control of the insurance field."

"That step would create the blight of federal politics, standardization and mediocrity. It would stabilize all insurance at a lower standard, just as government control reduces the efficiency of social welfare, education, medicine or any other system placed at the mercy of New Deal bureaucrats."

"The current attempt to control insurance would penalize the more efficient state systems and increase rates to the level of the less provident states. As in other fields where the issue of federal or state control has been created, a penalty would be imposed for efficiency if the former becomes dominant."

The forcefulness with which this paper and others have taken up this issue in Indiana has attracted much favorable comment among insurance representatives.

Texas Windstorm Rates Increased Over 25%

DALLAS—An increase of better than 25% in windstorm rates throughout Texas became effective Jan. 3. Use of a \$50 deductible along the seacoast also was authorized. The increase became mandatory as a result of the costly hurricane that visited the Galveston-Houston area in July, the third in the last five years to hit the state. There have been consistently high hail losses inland as well.

The order provides the \$50 deductible shall be attached to all policies covering real property in the seacoast area, but may be omitted by payment of an additional annual premium of \$12 for each separate building insured. Three and five year policies shall be subject to the regular term rule and when several policies apply to the same property the deductible waiver charge shall be proportionately distributed among them.

Inland the dwelling rate with 50% coinsurance is increased from 50 to 62 cents and with no coinsurance from 80 cents to \$1.86, while the extended coverage rate is increased from 30 to 37 cents. Farm property with no coinsurance is increased from 40 to 57 cents and the extended coverage from 48 to 60 cents.

The seacoast dwelling rate with 50% coinsurance went from 60 to 80 cents, no coinsurance from \$1.50 to \$2.40, and extended coverage from 40 to 50 cents. Farm property with no coinsurance went from 65 to 80 cents and extended coverage from 68 to 83 cents. There was a general increase of 25% in rate tables 1 to 4 inclusive, covering other types of property on the seacoast.

Commission Limitation Plan Is Evaporated Completely by Judge Vinson

Announcement by Judge Vinson, director of economic stabilization, disposes of any possibility that insurance producers or general agents would be limited in the amount of total commissions that they might receive. On Sept. 4, the commissioner of internal revenue issued a ruling designed to limit total commission earnings to the amount received in the previous year. Although it was assumed that insurance salesmen would be granted exemption from such a rule, the prospect of going through a lot of formalities to gain such exemption was formidable. Later that regulation was suspended insofar as it related to the salesman's own sales. Judge Vinson now announces that there is to be no limitation on compensation based on a percentage of the sales of others, percentage of profits and other similar arrangements.

There is no change, however, in the regulation that there may be no decrease or increase in the commission rate on the individual transaction unless specific approval is granted by the commissioner of internal revenue or the War Labor Board depending on which agency has jurisdiction.

Seeks Smudge Cover Change

MINNEAPOLIS—At the suggestion of M. V. Choban, South St. Paul agent, Charles F. Liscomb, Minnesota national director of the National Association of Insurance Agents, laid before the companies the matter of a change in the smudge coverage to apply to the stove type oil heater as well as the stationary heating device.

It is felt that the stove-type heater, which must be connected with the chimney during the season and is used by a great many people in the lower income bracket who need the protection, should not be classed with the small hand type oil heater which can be moved from place to place while in operation.

Gives General Average, Salvage Cover in Air Forms

NEW YORK—United States Aviation Underwriters has notified airlines which it insures and authorized brokers and agents of member companies that effective Jan. 1 it has decided to extend, temporarily without additional charge, all airline hull policies which cover flight risks to include general average and salvage charges for which the insured may be liable in accordance with United States law.

Until the law and all the issues involved are further clarified it is difficult to set a premium charge, hence U. S. Aviation reserves the right at any time, without otherwise affecting the policies, to which the endorsements may be attached, to either withdraw the coverages or assess an appropriate and specific additional charge for its continuance which the insured involved agree to pay.

Statement by Beebe

The circular letter from D. C. Beebe, chairman of U. S. Aviation, states:

"Unquestionably, the first steps towards clarification will arise out of litigation involving an airline following an alleged general average sacrifice. There has, we understand, been one instance of a transport jettisoning part of its cargo (which in this instance happened to be owned by the government) in order to gain altitude to clear some mountain peaks in unexpected adverse weather following which the aircraft reached its destination safely. Had this been a strictly commercial flight with a commercial cargo, it very likely would have been the basis for declaring that the throwing overboard of the cargo was a general average sacrifice to which all interests should have contributed to make good the loss.

"It would seem only fair in air transportation, where cargo is jettisoned in order to save the aircraft and the remaining cargo, that the aircraft and the remaining cargo should contribute towards the loss as has been the practice on the high seas for many centuries.

Only Contingency One Shipper Covers

"It is also of interest to learn that one large cargo shipper now shipping by all available means of transportation is not insuring these cargoes against loss or damage sustained but only against the possibility of an assessment by way of a general average or salvage contribution. For this protection it is understood that this shipper is paying a premium equivalent to about three-eighths of the premium that would have been charged for the usual marine and transportation hazards.

"There are many other forms of gen-

Drew Pearson Lauds Foes of States Rights Measure in His Column

Drew Pearson, the newspaper columnist, who broadcast the charge that there is a \$700,000 fire insurance company "slush fund" to promote the states rights legislation in Congress, alluded to the Washington insurance situation again the other day by giving a pat on the back to Senator O'Mahoney of Wyoming and to E. C. Moran, Jr., local agent at Rockland, Me., whom Pearson characterizes as "an insurance executive." These two men, Pearson states, "have stood up to give the insurance executives a tough battle."

Mr. Moran wrote a letter opposing the states rights bills that was put in the record at the last hearing of the Senate judiciary sub-committee. Pearson identifies him as "vice-president" of Central Surety of Kansas City. Mr. Moran is a local agent. He handles certain claim matters and does other supervisory work for Central Surety in Maine and has the title of resident vice-president. Pearson quotes a letter that Mr. Moran wrote to the National Board when asked to display a National Board poster emphasizing the rate reductions that have been effected during the years. "... in this locality," he wrote the National Board, "it is not true that there has been a 40% saving in fire insurance rates. In fact, there has not been a reduction of one single cent in dwelling rates in Maine during the last 20 years."

eral average sacrifices other than the jettisoning of cargo which may be found applicable to aviation but at this time it is impossible to enumerate hypothetical cases that may be deemed general average sacrifices. It is also equally impractical to deal specifically with the various situations that may come within the scope of salvage charges. It seems of importance to us that all airlines transporting cargo for their own protection take steps to anticipate these problems by including appropriate provisions in their way bills, bills of lading, etc., and make certain that irrespective of the destination or location of the occurrence, adjustments will be handled in conformity with the laws of the United States as they may be developed and as they now stand in respect to waterborne shipping, where applicable."

For those unfamiliar with the subject Mr. Beebe suggests reading the general average and salvage passages in Dr. S. S. Huebner's book, "Marine Insurance."

The Georgia Blue Goose recently brought out the first issue of "Georgia Gander" since publication was suspended in 1941. Bockover Toy is chairman of the publication committee with R. S. Holliday, John P. Irvin and Charley Simons as his assistants.

Milwaukee Group Organized to Act on 48-Hour Issue

MILWAUKEE—Organization of an insurance committee representing the various factors of the business was completed at a meeting here by representatives of employers among companies and agencies to consider the matter of the 48-hour week which has been decreed for Milwaukee effective Jan. 16.

James H. Daggett, vice-president of Old Line Life, who presided at the meeting of insurance employers in the auditorium of Northwestern Mutual Life, continues as chairman of the committee. William Ahrens, personnel director of Northwestern Mutual, is acting as secretary.

Other members of the committee are Joseph J. Fiedler, Catholic Knights of Wisconsin, fraternal; Walter E. Rigg, Mutual Life, president Life Managers & General Agents Association; O. G. Gehrman, Mutual Life, Life Insurance Cashiers Association; John A. Keelan, president Time, health and accident companies; E. F. Halkey, Gaedke-Miller Co., secretary Surety Underwriters Association; Charles D. James, president Northwestern National (fire); R. E. Brandenburg, Loyalty group; T. Z. Clayton of Geo. H. Russell Co., president Milwaukee Board of Fire Underwriters; Carter Baker, Leedom, O'Connor & Noyes, president Milwaukee County Board of Casualty & Surety Underwriters; Gary H. Kamper, executive vice-president, and G. H. Moeller, secretary Badger Mutual Fire; J. M. Sexton, resident vice-president Employers Mutuals, and John D. Rogers, resident vice-president Continental Casualty.

Arguments of Insurance

In the discussion, it was the consensus that the extended week would not release many insurance men for other jobs. Since insurance is a service institution, employees are not easily interchangeable as they generally are specialists in definite lines and departments. There is no back-log of work such as accumulates in industry, but the insurance business is more of a day to day production job, with employees working with daily mail that is cleaned up every day. A 40-hour week for employees of the insurance business was generally suggested as the most satisfactory from the man-power viewpoint. The committee of the various insurance interests was then set up to present a more widely organization to proceed with the problem at hand.

The ideas expressed at the meeting and information obtained from questionnaires will be considered and discussed by the local committee, which will formulate a presentation of the problems of the insurance business. Representatives

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, Jan. 4, 1944.

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	138	143
Aetna Fire	10	1.80*	52 1/2	54 1/2
Aetna Life	10	1.40*	35	36 1/2
Amer. Alliance ..	10	1.20*	21	22 1/2
Amer. Equitable ..	5	1.00	18	19 1/2
Amer. Home	10	...	10 1/2	12
Amer. (N. J.) ...	2.50	.60*	14 1/2	15 1/2
Amer. Surety ...	25	2.50	59	61
Balt.-Amer.	2.50	.40*	6 1/2	7
Boston	100	21.00*	540	560
Camden Fire ...	5	1.00	22	23
Contl. Cas.	5	1.60*	39	41
Contl. N. Y. ...	2.50	2.00*	46	47
Fidelity-Phen. ...	2.50	2.20*	49	50
Fire Ass'n.	10	2.50*	62	65
Firemen's (N.J.)	5	.40	12 1/2	13 1/2
Fireman's Fund ..	10	3.00	83	85
Franklin Fire ...	5	1.40*	27 1/2	28 1/2
Glens Falls ...	5	1.85*	43	45
Globe & Repub. ..	5	.50	8 1/2	9 1/2
Gt. Amer. Fire ...	5	1.20*	26	27 1/2
Gt. Amer. Ind. ...	2	.40*	13	15
Hanover Fire ...	10	1.20	25	26 1/2
Hartford Fire ...	10	2.50*	94	96
Home (N. Y.) ...	5	1.60*	29	30 1/2
Ins. Co. of N. A. ..	10	3.00*	80	83
Maryland Cas. ...	1	...	7 1/2	7 3/4
Mass. Bonding ...	12.50	3.50	73	75
Mer. (N.Y.) Com. ..	5	2.00*	46	48
Natl. Cas.	10	1.25*	22 1/2	24
Natl. Fire.	10	2.00	55	57
Natl. Liberty ...	2	.40*	6 3/4	7 1/4
Natl. Un. Fire ...	20	5.00*	181	185
New Amst. Cas. ...	2	1.00	25	26 1/2
New Hamp.	10	1.80*	44	46
North River ...	2.50	1.00	22	23
Ohio Cas.	5	.70	22	24
Phoenix, Conn. ...	10	3.00*	82	85
Preferred Accl. ...	5	1.00*	14	15
Prov. Wash.	10	1.40*	34	36
St. Paul F. & M. ..	62.50	10.00*	290	298
Security, Conn. ...	10	1.40	35	36 1/2
Sprgfd. F. & M. ...	25	4.75*	126	130
Standard Accl. ...	10	2.50	59	62
Travelers	100	16.00	475	485
U. S. F. & G.	2	1.50*	37 1/2	38 1/2
U. S. Fire.	4	2.00	47	49

*Includes extras.

of this committee will then confer with the area WMC director to pass on the viewpoints and reasons for requesting an exemption for the insurance employers from the 48-hour minimum wartime work week order.

Employment Facts of Insurance

The entire committee or the larger group of representatives may be called together as the occasion may require. It was emphasized at the general industry meeting that there is no thought of setting up a uniform program, and it was pointed out that the individual employer will not be committed to any such program but will be privileged to seek sanction for individual arrangements. The joint presentation in behalf of the insurance industry to the WMC area director is to apprise him of the employment facts of the insurance business so that he may act in an informed way on individual requests for exemptions. This will eliminate numerous conferences by individual employers with the WMC to dispose of many questions.

You get sales ideas from the top-notchers, in the A. & H. Bulletins. Write The A. & H. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio.

We take pleasure in announcing that:

MR. EVERETT S. STRYKER

will join our company as Assistant Secretary

January 10, 1944

POLYGRAPHIC COMPANY OF AMERICA, INC.

310 EAST 45TH STREET, NEW YORK CITY

VARIED REPRODUCTION SERVICES TO THE INSURANCE FRATERNITY



*Put the
"SIAMESE TWINS" to work*

Today's tight housing situation is extremely favorable to the sale of Rent & Rental Value Insurance on dwellings. Rental values are high, and dwelling space is becoming increasingly scarce. Home-owners therefore have greater need than ever for Rent & Rental Value Insurance to protect their interests. After a fire it would take longer than usual to rebuild one's home because of war-time building restrictions, priorities and the shortage of carpenters and mechanics. This protection is needed by owners:

- (1) who live in their own homes
- (2) who live in two or three-family dwellings, occupying part and renting the remainder
- (3) who depend for income on the rents they receive from dwelling properties.

War's effect on civilian goods manufacturing, transportation problems, and the closing of many mercantile establishments have narrowed the field for soliciting new business. But the Rent & Rental Value field today offers countless opportunities for profitable exploitation.

That this field is ripe for harvesting is borne out by the fact that in a recent national insurance survey it was found that only 24 out of 1200 policyholders interviewed carried Rent & Rental Value Insurance!

There are various methods of soliciting Rent & Rental Value Insurance and you are cordially invited to consult our Advertising Department as to the one best suited to your requirements.



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150 WILLIAM STREET, NEW YORK 8, N. Y.

[Writing Fire, Ocean & Inland Marine, Automobile and All Kindred Lines]

New York — Philadelphia — Boston — Detroit — Chicago — San Francisco

AS SEEN FROM CHICAGO

REINSTATE DEPARTMENT CHARGE

The fire department service charge, with a minimum rate for fire insurance of \$1.50, has been reinstated by the Cook County Inspection Bureau. It had been removed from the manual last April.

HONOR WADE FETZER, JR.

Wade Fetzer, Jr., new president of W. A. Alexander & Co. of Chicago, officially took his seat as head of his organization Monday. His office was turned into a floral conservatory as he was the recipient of many bouquets. His associates in the office and friends from the outside called to offer felicitations. Since it has become known that he had been elected president of W. A. Alexander & Co., Mr. Fetzer has received messages of good wishes and greetings from all over the country due to his large acquaintance and the work he has done in the National Association of Insurance Agents.

CHICAGO BOARD NOMINATIONS

W. M. Sheldon of W. A. Alexander & Co., is recommended for reelection as president of the Chicago Board at the annual meeting Jan. 27 in the report of the nominating committee of which the chairman is August Torpe. John A.

Naghten of John Naghten & Co., is slated for reelection as vice-president, and L. P. Warren, Associated Agencies, treasurer. Nominated for new directors are G. A. Mavon, F. L. Ludington, Atlas, and F. D. Pellet, Critchell, Miller agency. For member of the patrol committee E. B. Vickery, America Fore, and J. M. Newburger are nominated for reelection.

HANOVER OFFICIALS INSTALLED

The western department of the Hanover Fire in Chicago Monday was bright with color owing to the flowers that banked the office of the new resident vice-president, John Rygel, who stepped from the resident secretary's office to the front office to take the place of W. K. Maxwell, who retired the first of the year. Fred C. Bertiaux, secretary at the home office, assumed his new position as resident secretary in the western department and he also was the recipient of flowers. President Fred A. Hubbard stopped on his way from a trip to the Pacific Coast to install the new officials. He spent Sunday with Mr. and Mrs. Maxwell, who are now living at the Edgewater Beach Hotel. Mr. and Mrs. Bertiaux occupy the Maxwell apartment in the Edgewater Beach

Apartments. Mrs. Hubbard accompanied Mr. Hubbard on the trip to the far west.

Mr. Maxwell expects to get into his house at Lincoln, Ill., where he will make his future home by the middle of February. He has two farms in the vicinity and will look after them. Mr. Maxwell is an accomplished musician and has always been interested in musical composition but he has not had the time to devote himself to composing. He intends to use some of his spare time along musical lines especially in composition work.

NATIONAL MEN HONORED

Edwin H. Forkel assumed his new position as manager of the western department of the National Fire in Chicago Monday. The office formerly occupied by Manager George H. Bell had been redecorated and fitted up for his occupancy. He received many congratulations during the day and a large bouquet of flowers adorned his desk. That office has been occupied by the library since Mr. Bell retired. It now is shifted to Mr. Forkel's former office. The new assistant managers, L. N. Bowen and C. L. Zook, who were promoted from agency superintendents were felicitated by many of their friends and flowers bedecked their desks. Mr. Bell appeared at the office in order to extend his congratulations to the new officials.

RIVERDALE PRODUCTS LOSS

Physical damage loss of about \$95,000 and a substantial U. & O. loss was suffered in the fire that destroyed a building used for storing bonemeal of the Riverdale Products Company which is on the state line at Calumet City, Ill., and Hammond, Ind. A number of other buildings were less seriously damaged. Marsh & McLennan has the line and the adjustment is being handled by T. J. Houston & Co. and Western Adjust-

CREDIT MEN'S COURSE

A luncheon meeting of insurance company members of the Chicago Association of Credit Men is being held Thursday to perfect final details of the course in fire and casualty insurance which is being offered to members of the association commencing Jan. 31.

The lecture Jan. 31 will be given by Walter M. Sheldon of W. A. Alexander & Co., who is president of the Chicago Board, on "Present Trends and Values." Feb. 7, Earl A. Lashmet, vice-president Liberty Mutual, will give a lecture on compensation; Feb. 14, George E. Hofmeister, vice-president Continental Casualty, on general liability; Feb. 21, B. J. Nietschmann, Chicago manager National Surety on bonds; Feb. 28, George C. Bonstelle, vice-president Lumbermen's Mutual Casualty, on boilers and machinery, and on March 6 there will be a question and answer session.

ROCKWOOD CO. PRODUCERS MEET

The Rockwood Company Association, composed of producers of that agency in Chicago, held a dinner meeting at which Robert C. Carson, life department manager, was host. Members of the Century Club, those who paid for at least \$100,000 of life insurance in the Travelers in 1943, were honored. There were nine of these, including Mr. Carson and W. Carter Butler, president of Rockwood Company. Rockwood Company had more members of the Travelers' Century Club in 1943 than any other general agency of that company in the United States.

NEW CHICAGO AGENCY FORMED

Carriers & Merchants Agency, Inc., a brokerage office handling all fire and casualty lines, has been formed by Jack I. Kitch with office in A-1840 Insurance Exchange, Chicago. Mr. Kitch has represented Travelers on the south side of Chicago for 19 years and continues to maintain his office in 1180 East 63rd street.

FIELD

Illinois Officials Plan for Meeting

The Illinois Fire Underwriters Association will hold its semi-annual meeting at the Leland Hotel in Springfield, Jan. 27. The Illinois Fire Prevention Association will meet in the afternoon to take up important features on the army inspection service in which its members are engaged. P. J. Leen, manager of the inland marine department of Fireman's Fund in Chicago, will speak on the personal property floater at the Fire Underwriters Association meeting. He will also have a question and answer program. Members will send in questions that they desire to be answered. Wade Fetzer, Jr., president W. A. Alexander & Co. of Chicago, chairman public relations committee National Association of Insurance Agents, will tell about his program. Leo N. Davis of Chicago, American, will preside at this meeting as president, this being the first since the annual meeting.

On the evening of Jan. 26, Most Loyal Gander Don C. Campbell of the Illinois Blue Goose has announced a dinner at the Abraham Lincoln.

La Fray Succeeds Jordan in Central New York

John A. Jordan, state agent in central New York of Continental and First American Fire of the America Fore group, is retiring after 41 years' continuous service with the companies. Warren La Fray becomes state agent succeeding Mr. Jordan. He will continue to maintain offices in the Chimes building, Syracuse. For several years he has been assisting Mr. Jordan.

Mr. Jordan is a native of Palmyra, N. Y., born in 1875. He started in insurance in 1896 with A. J. Woodworth & Co., Syracuse general agents, from which post he went with Continental in 1902. He is a 32nd degree Mason.

Mr. La Fray is a native of Syracuse. He attended University of Michigan and started in insurance work in 1936 with Home, continuing in various capacities until 1941 when he joined America Fore as special agent of Continental in central New York.

L. W. Keyser Head of Intermountain Association

SALT LAKE CITY—At the annual meeting here of the Intermountain Fire Underwriters Association, these officers were elected: President, L. Wm. Keyser, Standard General Agency, succeeding Roy Donaldson, Great American; vice-president, A. R. Busch, Home;

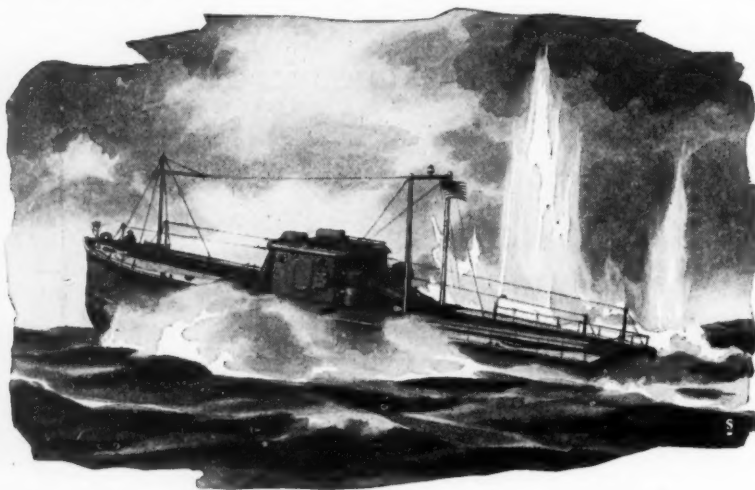
COMPENSATION UNDERWRITER

A large stock casualty company needs a top-notch compensation underwriter who is well versed in retrospective rating; must be draft exempt and have executive ability. Salary to \$7500.

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GUARDIANS OF THE SEA



For aircraft bombing practice, the Navy uses its Bomb Target Boats, which twist and dodge through the water in their efforts to avoid being "hit." Usually about 60-feet long, their high speed makes them difficult moving targets to test the skill of Navy bombardiers. Test bombs are "loaded" with water; a steel deck protects the occupants of the boat against direct hits. These craft also serve as moving targets to test accuracy of fire from coastal guns and are used to tow

destructible targets for bomb or gun-fire.

The Navy meets the enemy's challenge to America's merchant shipping by using many types of war vessels, each craft particularly designed to serve one special purpose. To render maximum protection to ships and cargoes, marine insurance keeps pace with changing conditions of the seas—provides policies specially designed to do their special jobs. Appleton & Cox, Inc., pioneers in the marine field, offers nationwide facilities to Agents and Brokers, with expert assistance available to solve ocean and inland marine insurance problems of today and tomorrow.

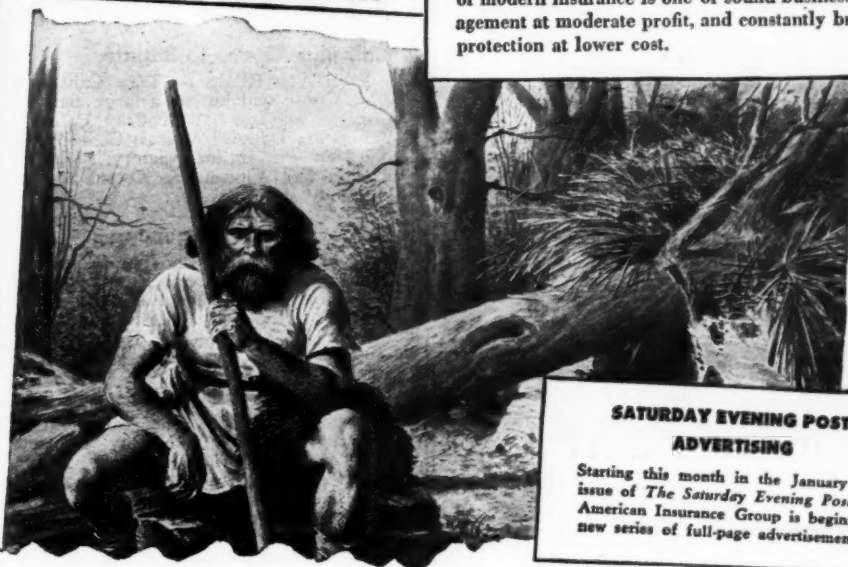
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The Nth Freedom



FREEDOM FROM UNCERTAINTY is a contribution of the insurance business to better living. By measuring risks and spreading costs, insurance frees the individual from the threat of disastrous loss. The record of modern insurance is one of sound business management at moderate profit, and constantly broader protection at lower cost.

SATURDAY EVENING POST ADVERTISING

Starting this month in the January 22nd issue of *The Saturday Evening Post*, The American Insurance Group is beginning a new series of full-page advertisements.

THE AMERICAN INSURANCE GROUP STEPS FORWARD WITH A NEW CHARTER FOR EVERY INSURANCE AGENT

RIGHT NOW, American has something of vital importance to say — vitally important to the public . . . vitally important to the insurance agent. So American is going to advertise.

Never has there been greater need for a clear understanding by every one of the real service insurance renders.

The job that insurance can do is clearly, simply stated in the definition of "The Nth Freedom."

This paragraph alone is virtually a charter upon which every agent can base his dealings with the public.

That is the corner-stone of American's new advertising campaign. Beyond that, American is going to tell — through dramatic illustrations and text — the true story of what insurance is, how it came about, what it means to those who buy it.

We sincerely hope that this new campaign of advertising will be of material value — not only to all American agents — but also to the insurance business as a whole.

Have you advised all your clients about War Damage Insurance?

THE American Insurance Group
1846
Newark, New Jersey

The American Insurance Company • Bankers Indemnity Insurance Company • The Columbia Fire Insurance Company • Dixie Fire Insurance Company • The Jersey Fire Underwriters

secretary-treasurer, W. M. Anderson, North America, all of Salt Lake City.

A vote of thanks was tendered President Donaldson and the other officers for their services. The new president will name the executive committee as well as the regular standing committees.

Frayser Succeeds Spencer in Va. for Springfield F. & M.

Francis H. Spencer, state agent of the Springfield F. & M. group in Virginia, has retired, and Stuart K. Frayser, who has been special agent, has been appointed state agent in Virginia to succeed him.

Mr. Spencer joined Springfield F. & M. in 1911. He served at the head office in the southern department until 1914, when he became special agent in North and South Carolina where he served until 1921, with the exception of a year during the war when he returned to the head office. Since then he

has represented the company in Virginia.

He served on the executive committee of the Virginia Insurance Rating Bureau from 1928 through 1932, and from 1936 through 1938. In 1932-1933 he served on the special committee which compiled the Virginia hand book, comprising rates, rules and forms. He was president of the Stock Fire Insurance Field Club of Virginia in 1937 and 1938.

Mr. Frayser in 1919 joined the Virginia Insurance Rating Bureau, following this with varied experience in local agency and special agency work. Before joining the Springfield in April, 1943, he was with the E. K. Schultz general agency at Philadelphia as special agent for Virginia, North Carolina and District of Columbia.

Bielaski Bay State Speaker

A. Bruce Bielaski, assistant general manager of the National Board of Fire

Underwriters, and formerly head of the arson division, will speak on his experience in the latter work Jan. 7 before the Bay State Club of Boston. Fire chiefs and members of the Maine and Hampshire field clubs have been invited to attend.

Aetna Fire Names Davis in Ohio

Mansell F. Davis has been appointed special agent in Ohio by Aetna Fire, succeeding W. C. James, who has retired service.

Mr. Davis is a native of Nebraska, and after attending Tennessee Military Institute, University of Nebraska, and Armour Institute, he joined the Ohio Inspection Bureau, continuing with that organization until 1942 when he went with the internal security division of the government.

American Names Hutch in N. J.

The American group of Newark has appointed Thomas Hutch as special agent, to be associated with State Agent Reiter in northern New Jersey, replacing several men now in service.

Mr. Hutch joined American in 1925, and has had considerable experience since then as an examiner, and in the brokerage service and analysis departments.

Cal. Blue Goose to Initiate

LOS ANGELES — The California Blue Goose will initiate a large class of goslings on Jan. 7. Geoffrey F. Morgan of the Douglas Aircraft Co will talk on "Air Power for Victory." C. E. Currey and Vincent S. Kerans are in charge of the program.

Reed with Udell Agency

George E. Reed, who has been connected with the Arizona Equitable Rating Bureau, has joined the B. L. Udell general agency of Phoenix and will travel as special agent. He has been with the rating bureau five years.

Utah-Idaho Pond Initiates

The Utah-Idaho Blue Goose at a meeting in Salt Lake City initiated three goslings: Miles Hollcraft, Ogden, Fire Companies Adjustment Bureau; A. W. Elvin, special agent Kolob Corporation, Salt Lake City, and W. D. Payne, National Theft Bureau.

The following evening the annual dinner dance was held.

NEWS BRIEFS

The Sioux Falls Blue Goose Luncheon Club held its Christmas dinner dance with 56 in attendance. Entertainment was provided by three soldiers from the army air corps technical school Sioux Falls.

Guests at the New Year "stag" of the Sunflower Blue Goose at Wichita included Lieut. H. J. Schoeppe of Camp Walters, Tex., former Commercial Union state agent; V. E. Herbert, Loyalty group, Topeka and Tom Burford, Employers Fire, Kansas City.

NEW YORK

REPUBLIC IN NEW OFFICE

Eastern headquarters of Republic of Dallas have been moved into the 15 story building recently purchased by the company at 110 Fulton street in the insurance district. It is occupying 3,600 feet of space on three floors. Republic opened an office in New York in 1924 and the building will allow space for expansion in keeping with its growing business in the east. Operations are under the direction of A. L. Brooks, Jr., vice-president.

NOBLE GOES WITH NIAGARA

William J. Noble has joined Niagara Fire in the production end. He has been with the Wright Agency in New York City as manager of the casualty and automobile fire and theft departments. Previously he was with W. L. Perrin & Son for 18 years in a similar capacity. Mr. Noble is a native of Meriden, Conn. He started with the International Silver Company on finishing school and in 1919 after serving in the navy entered the insurance business at Hartford. He had underwriting and field experience there and in Rochester, N. Y., and New York City. He entered the New York City agency field 21 years ago.

A. F. GRONBASH ADVANCED

Arthur F. Gronbash has been named superintendent of the suburban fire underwriting department of Automobile in New York. He has been suburban special agent.

St. Paul F. & M. Pension Plan Up to Stockholders

Stockholders of St. Paul F. & M. on Jan. 17 will vote on the pension plan for employees that has been adopted by the directors. It is similar to the informal plan that has been in effect for 27 years and is designed to supplement social security benefits. The annual retirement allowance at age 65, for service after the effective date of the plan will be equal to 1% for the first \$3,000 of each year's compensation, plus 2% of the compensation in excess of \$3,000. There is also provision for past service credit. The maximum annual allowance will be \$25,000. Actuarially equivalent values will be provided for employees who become incapacitated after 20 years of service or who retire after attaining the age of 55.

The entire cost at the inception will be borne by the company. The total cost of past service benefits is computed to be \$3,606,627 which for tax purposes will be spread over a period of 10 years, the first year's payment being \$360,663.

The plan must be approved by the Treasury Department.

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD.

ORIENT INSURANCE COMPANY

LAW UNION & ROCK INSURANCE COMPANY, LTD.

SAFEGUARD INSURANCE COMPANY

ENGLISH AMERICAN UNDERWRITERS AGENCY

STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Dept.)

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Eastern Department
20 Trinity St.
Hartford, Connecticut

Pacific Department
332 Pine St.
San Francisco, Cal.

Western Department
223 W. Jackson Blvd.
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For Over Fifty Years Good Friends of Local Agents

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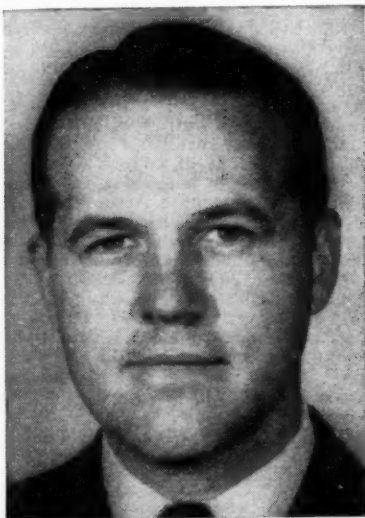
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INSURANCE MEN IN ARMED SERVICES

Dudley Giberson, Alton, Ill., to Enter Service

Dudley F. Giberson of the Giberson agency at Alton, Ill., has passed his



DUDLEY F. GIBERSON

physical examination and will report later this month for army service. Mr. Giberson is one of the leading young agents of the state and a couple of years ago served as executive vice-president of the Illinois Association of Insurance Agents. He was scheduled to move up to the presidency but because of possible call to service eliminated himself from the succession. His father, the late J. A. Giberson, founded the Giberson agency in 1908. He served a term as president of the Illinois association. Dudley Giberson is widely known for his association work and for the vigorous and original agency methods he has employed in Alton.

L. P. Baker, formerly automobile manager of the R. H. Jenkins general agency, Los Angeles, in the navy for more than a year, now is a storekeeper, first class, and is stationed in the southwest Pacific.

James R. Henry, manager of the bond department of Travelers at 55 John street, New York City, will report to the army Jan. 19. Mr. Henry formerly was manager of the bonding department in Chicago.

Six of the seven sons of **J. B. Pfister**, local agent of Terre Haute, Ind., and Mrs. Pfister are serving in the armed forces. J. B. Pfister & Co. is one of the important agencies in Terre Haute. The only son who is not in the armed services is associated with the agency. The young men are Lieut. (j.g.) Paul Pfister, who is in active duty as a flier in the Solomons; Pvt. Leo Pfister, who has been hospitalized in the Canal Zone as the result of injuries suffered in a truck accident; Lieut. Charles Pfister of the army corps of engineers, who is serving in Italy; Pvt. William Pfister, stationed at Fort Meade, Md.; Seaman 2/c Robert Pfister, who is cruising with naval units at Chesapeake Bay in advanced training, and Pvt. Joseph Pfister, who is undergoing training at Camp Blanding, Fla.

Nick Kleber, former Kansas state agent of Royal-Liverpool at Wichita, has been transferred from a California base to Camp Bowie, Tex. He is still in the medical division.

James F. Dore, compensation and liability underwriter of Aetna Casualty in the Chicago office, will report for army service late this month.

Ralph M. Lake, adjuster in St. Louis of Monarch Life, has been commissioned a lieutenant (j.g.) in the navy and is in training at Tucson, Ariz. He had

served Monarch in Indianapolis, Chicago, Des Moines, Kansas City and Omaha before going to St. Louis. Ellsworth E. Post, his assistant, will take charge for the duration.

Walter Klein, storekeeper, first-class, in the coast guard, visited his friends in the Chicago office of Standard Accident Monday on his way to New London, Conn., where he will enter upon officers training. Before entering the service he was an underwriter at Standard Acci-

dent. He has been on South Pacific patrol duty.

W. T. Shirley of Chicago, formerly western special agent of the New York Underwriters, who for a year and a half has been in the air corps inspection service, inspecting airplane factories, has now joined the army and is at Camp Blanding, Fla. He was formerly Iowa state agent and was trained in the head office.

The U. S. F. & G. at Kansas City has an unusual office wall display, the hats of one woman and 22 male employees who are in service. They hang on a

large "V," and Manager O. R. Leeds collects a new one when an employee of the branch or one of its agencies enters service. The hats represent the jobs the employees have waiting for them when they return.

Harold Woodhead, Employers Reinsurance, reported to the marine corps at San Diego, Jan. 1. He has been with Employers 17 years.

It is reported that **Lieut. W. R. Piper, Jr.** of the air force in England, formerly with Dulaney, Johnston & Priest in Wichita, has been awarded the distinguished flying cross. He has been on



SYMBOLS OF STRENGTH, PERMANENCE AND STABILITY

The line-up of trademarks of the companies of Fireman's Fund Group shows two new symbols—Western National Insurance Company and Western National Indemnity Company. These are, however, only the new names of two well and favorably known members of the Fireman's Fund Group—Occidental Insurance and Occidental Indemnity whose names were changed on September 30, 1943 to names more indicative of their western origin and national scope.

Fire • Automobile • Marine



Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company
Fireman's Fund Indemnity Company
Home Fire & Marine Insurance Company
Western National Insurance Company
Western National Indemnity Company

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more than 30 missions since arriving in England about eight months ago. Lieut. Piper is a bombardier on a Martin Marauder.

Lieut. Milton Wesley, former special agent of Central States Fire in Tulsa and brother of Ralph P. Wesley, Kansas state agent of that company, is a supply officer with the air corps radio school at Sioux Falls, S. D.

W. A. Miles, Jr., son of the head of Miles & Miles, Chicago agency, and member of the firm, has been inducted and is in "boot" training at Great Lakes naval training station. He is a skilled saxophonist who has played in dance orchestras and has helped to form the first swing orchestra in his company. He has been in insurance work seven years following attendance at Northwestern University—a year at the head office of General of Seattle and six years with his father.

Robert J. Meyer, marine underwriter of the Eliel & Loeb agency, Chicago, has been inducted into the army and assigned to Camp Lee, Va., for basic training. Harry G. Johnson, vice-president, who exercises supervision over the department, is directing it for the time being. Mr. Meyer has been with Eliel & Loeb for two years and previously was connected with Pacific National.

Stanley Knapik, who for five years has had charge of the Cook county, Ill., automobile department of London Assurance, has gone into the navy. He has been with the company 14 years.

COMPANIES

Three Are Advanced by Manufacturers Fire

Raymond S. Winnard has been advanced from assistant secretary to secretary of Manufacturers Fire, and two additional secretaries, Joseph L. Lacher and C. W. Bouck, have been elected. The elections and promotions are in line with the company's expansion program which began in July with the increase in capital to \$1,000,000.

Mr. Winnard joined Manufacturers Fire early in 1943. Mr. Lacher served eight years in the Middle Department Rating Association in various capacities and later became state agent in New Jersey for Fireman's Fund. Mr. Bouck, who will have charge of the marine and inland marine operations of the company, has specialized in those fields since 1929. For years he was marine special agent in New York, Connecticut and New Jersey for Fireman's Fund, and more recently his activities for the agency department of that company have extended throughout the eastern United States.

T. Wesley Greer Retires

T. Wesley Greer, Canadian manager of Century and managing director of Pacific Coast Fire, owned by Century, which operates in this country, has retired. He will continue as a director of Pacific Coast Fire.

Reinsurer's Capital \$500,000

Capital of Metropolitan Fire Reassurance of Hartford has been increased from \$400,000 to \$500,000 by declaration

of a stock dividend. Par value of the shares was increased from \$25 to \$31.25. Net surplus is about \$740,000. The increase was made in conformity with the requirement of the New York department that companies engaged in marine insurance must have a minimum capital of \$500,000 and net surplus of like amount.

Great Eastern Promotes Thomas

Great Eastern Fire has elected George F. Thomas, secretary, as vice-president and secretary. Richard E. Dougherty of White Plains, N. Y., was elected a director. He is vice-president of the New York Central Railway and his duties include supervision of insurance. Mr. Thomas has served as secretary of Great Eastern since October, 1929, when the company began business.

President Allan C. Stevens reported that in the first nine months of 1943, surplus increased \$52,000 to \$438,000.

New Haven Fur Loss to Exceed \$3,000,000

(CONTINUED FROM PAGE 1)

mobile department; E. W. Hoffman, Newark; E. F. Leach, Jersey City; E. G. Purdy, New Haven manager; L. F. McIntyre, district supervisor, New York City; Eli Berger, Charles Scott, and W. G. Hall, New York City. Nearly all of these devoted the greater part of their time to the fur loss. The bureau kept a clerical staff of four just checking customers' statements against Yale's records to see if the garment claimed for was in storage and if the amount claimed exceeded the amount insured. Considerable stenographic help was also necessary.

The detail work was staggering but was essential to the successful handling of the claims. On the peak day the bureau sent through more than 2,000 claims. Claims are now cleared on the same day as they come in and the rate has dropped to about 100 a day.

Securities Valuation

Book to Be Ready Jan. 25

NEW YORK—The book of valuations of securities issued by the National Association of Insurance Commissioners is in the hands of the printers and will be issued by Jan. 25. The first installment of advance sheets has already gone to the subscribers and the second and final advance sheets will go out about Jan. 13.

The resolution regarding security valuations for use in the 1943 annual statements has not been changed since its adoption at the annual convention of the commissioners at Boston last June. The main reason for reserving the right to change the resolution is to permit the selection of some date other than Dec. 1 as the basis for valuations in case the market should be demoralized on that date to such an extent that the quotations would not reflect the true worth of the securities.

Seaton T. Douglass, special agent of Glens Falls for Louisiana and Arkansas, died at Hot Springs, Ark., following a brief illness of one week. He is survived by Mrs. Douglass and two sons,

Anderson Retires; Weber Successor at Hartford Fire

George L. Anderson, associate manager of the live stock transit department of Hartford Fire, retired Jan. 1 and E. H. Weber, who has been manager of the department at St. Louis for 10 years, succeeds him in that post.

About 35 friends and associates honored Mr. Anderson at a dinner in Chicago. W. H. Timmons, general agent of Hartford Live Stock, arranged the affair and acted as toastmaster. C. H. Smith and Clem E. Wheeler, associate western managers of Hartford Fire, and other executives of the company attended. Mr. Anderson was presented a handsome wrist watch suitably inscribed and a scroll signed by those attending the dinner.

Weber with Department 26 years

Mr. Weber has been with the live stock transit department of Hartford Fire for 26 years. Before going to St. Louis he was superintendent of claims for the department. J. W. Werner, associate manager of the department for many years, continues in that post.

Mr. Anderson joined the live stock transit department, which is located in Chicago, a few months after the late R. H. West, Jr., instituted the idea of providing coverage for live stock in transit against all hazards. Mr. Anderson was one of the first field men the department had and had been in banking in South Dakota. He has been very active in the conduct of the business. He helped perfect the plan for insuring live stock transported by truck, a form of transit which grew rapidly with development of the motor car.

"Nickel Business" Grew Up

Insuring shipments of live stock by truck for some time after it began was referred to as a nickel business, but Mr. Anderson gradually developed the proper organization for handling the collection of many small premiums. Today the department has offices in all of the principal terminal live stock markets in the U. S. and Canada and has facilities for furnishing insurance and collection of premiums in most of the smaller markets. The insurance is all risk coverage for live stock in transit, and in addition a catastrophe cover is provided on live stock in terminal yards. In 1917 the stockyards in Kansas City burned and Hartford Fire wrote a check for \$1,750,000 to cover the live stock loss there. This was the largest single check the company had written because all interests were represented by one assured, the company operating the stockyards there. It gave a tremendous impetus to the sale of the terminal stockyard cover.

both of them members of the army air corps. Edward is at Sheppard Field, while Seaton will receive his commission and wings at Ellington Field, Houston, Feb. 5.

Mr. Douglass went to Glens Falls in 1921, and for 22 years served the same territory. Prior to 1921, he was with Trezevant & Cochran and with the Hartwig Moss General Agency.

Stryker Goes to Firm Handling Statement Work

NEW YORK—Everett S. Stryker, assistant secretary of the fire companies of the Firemen's Insurance Company group, will on Jan. 10 become assistant secretary of the Polygraphic Corporation, New York City printing and lithographing firm, which handles the bulk of the annual statement lithographing work for all types of insurance companies. He succeeds F. A. Ladman, who died Dec. 17 of a heart attack.

Mr. Stryker is immediate past president of the Insurance Accountants Association, in which he has long been active. He has been with Firemen's since 1926 and assistant secretary since 1928. He was chief accountant of New Zealand's United States branch from 1919 until the New York office was closed at the end of 1925. Mr. Stryker served for 19 months in the navy during the last war and before that was for seven years in the Royal's loss department.

War Damage Work Done

Mr. Stryker was one of two representatives of the stock fire companies who, together with mutual and reciprocal representatives, cooperated with the War Damage Corporation in preparing the accounting and statistical regulations. At Polygraphic Corporation he will be in charge of the insurance division, as respects both sales and service.

Polygraphic Corporation has been instrumental in working out time-saving and money-saving short cuts for printing annual statements. For example, it supplies oversize reproductions of schedule pages on which companies type in many more entries than would be possible with the standard size sheet. Pages are reduced to standard size in the printing process and the typing, though smaller, is still clearly legible. Another short cut is to place several schedules on a single page where there are only a few entries for each schedule.

Local Board Study Is Made by G. DuR. Fairleigh

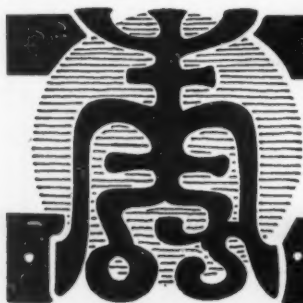
The Los Angeles Insurance Exchange, with 323 affiliated member agencies, carries a larger number of members in the National Association of Insurance Agents than any other local board, according to a study made by Treasurer and Assistant Secretary George DuR. Fairleigh.

Second is Minneapolis with 153, then Houston, 137; Oakland, 135; Pittsburgh, 134; Providence, 112; Portland, Ore., 107, and San Antonio and New Orleans with 99 each.

These figures do not include solicitors, brokers, individual agent memberships, etc. The Hartford Board with 80 members, is the largest among cities under 200,000 population.

E. E. Moody, local agent at Clay City, Ind., died Jan. 3.

Mrs. J. Frank Smith, wife of J. Frank Smith of the Clements & Smith agency, Crawfordsville, Ind., died Jan. 3.



FAMOUS SYMBOLS OF SERVICE

THIS AGES-OLD SYMBOL IS A CHINESE WAY OF EXPRESSING WITH TRADE-MARK SIMPLICITY, THE PROMISE OF LONG LIFE. IT MEANS MORE — TRANSLATED, IT SAYS: "THIS IS AN OMEN OF MANY HAPPY AND USEFUL DAYS TO COME."

THE NORTHERN ASSURANCE SYMBOL IS A HALLMARK OF INTEGRITY. IT IS THE TRADE MARK OF A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS.

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Underwriters Adjusting Now in Its 25th Year

Underwriters Adjusting Co. is marking its 25th year in 1944. During that time it has grown from an organization with one office and a few employees to one that has 71 offices throughout 13 midwest states manned by approximately 400 employees. The company handled 150,000 losses in 1941, though the number has been somewhat less than the two years since due to the drop in automobile claims.

Insurers Own Stock

Insurance officials began discussing the organization of Underwriters Adjusting a year or two before 1919, and the organization began to function in January of the latter year. Until 1930 its operations were closely related to those of the Western Insurance Bureau, but in March, 1930, changes in the membership of the bureau companies resulted in dissolution of the adjusting corporation and the formation of another under the same name. The stock is owned by various fire insurers.

Original officers were Charles D. Sheldon, president; Neal Bassett, vice-president, and Benjamin Auerbach, secretary-treasurer. Walter Williams, Waite Bliven and H. A. Clark served successively as presidents until 1930 when T. A. Pettigrew was elected president. He still holds that position.

Several General Managers

Harvey W. Rust was the first general manager and served until 1921 when he was succeeded by R. E. Hall. A year later Clarence A. Rich was appointed general manager and continued until 1928 when he was succeeded by Mr. Pettigrew. In 1942 H. H. Moore assumed the post. He has been with the organization since 1926 in various capacities. Mr. Pettigrew was the first employee of the company. A number of others with the company have been with it for many years. Thirty of those who are now supervisors, branch managers, or who hold other important positions are celebrating or have celebrated their 20th anniversary. Among them are the following eight supervisors who manage the city and supervise the state: K. C. White, assistant general manager and supervisor of Illinois; A. P. King, Cleveland; R. M. Peterson, Detroit; J. N. Cline, Indianapolis, Indiana-Kentucky; J. L. Whitman, Milwaukee; F. S. King, Minneapolis, Minnesota-Dakotas; M. C. Scanlan, Omaha, Iowa-Nebraska; and F. N. Jacks, Kansas City, Kansas-Missouri.

Standard Fire policy booklets comparing 1943 New York Form with 1918 Form and 1886 Form available from F. C. & S. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio. Write for prices.

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Stone's Tables Are Being Cited by States Rights Foes

Several witnesses, opposing the states rights bills, at the hearings, have alluded to "Stone's fire insurance classification of cities and fire loss." Also Representative Charles M. LaFollette of Indiana, in an extension of remarks appearing in the Congressional Record of Dec. 9, cites these tables and draws a number of odd conclusions therefrom. LaFollette is opposing the states rights measures.

The author of these tables is Harold F. Stone. For about one year he was connected with the Ohio Inspection Bureau and then for a number of years was identified with the American Municipal Association of Chicago. He was attacking at that time the National Board's city classification system and advocating a setup similar to that in Texas, whereunder the fire insurance rates in a particular city are credited or debited depending upon its loss experience. The American Municipal Association eventually discontinued sponsoring Mr. Stone's theories.

The Stone tables show the premium per \$100 of insurance in various cities and the five-year average per capita fire loss.

Texas System Not Used

While the Texas system superficially seems attractive and reasonable it is probably significant that it has not been adopted in other states. Those familiar with rate making history say that the Texas system was a political compromise. Texas is a large state and the character of the various cities from a fire insurance standpoint varies widely. Some of the cities make as good a showing as any in the country but on the other hand there are some very bad actors in Texas.

It was regarded as politically unfeasible to divide the state for rate making purposes and so the solution was to project a single rate schedule for the entire state and to debit or credit the various cities according to their loss experience. The application of the system has had to be revised from time to time as various bugs developed. Under such a system it is possible to manipulate the amount of the credits or debits by raising or lowering the state-wide tariffs.

It is possible to set the rates at a very high level and thus provide for generous credits for all, possibly creating a pleasant illusion.

National Board Plan Logical

Those that champion the National Board system say that it is the most logical and serviceable plan. It rewards those cities that make investments in fire fighting improvement and offers a real incentive to do those things that will offer real protection to the community. On the other hand, raising and lowering rates according to the actual loss experience of a community more often than not will be a reflection of purely fortuitous circumstances. For instance, there might be a single very high valued hazardous plant in a city. If this should burn all the residents of that city would suffer a fire insurance rate penalty. Yet the residents of another city that might be almost identical in character but not possessing such a risk in its midst, might be very much better off from a fire insurance rate standpoint.

It is understood that informal investigations have been made to see what the effect would be on a large number of cities under an experience rating plan. The results show that the fluctuations would have no consistent direction. It was found that by and large cities that were on the credit side on the basis of one period of five years experience would be on the debit side the next five years and vice versa.

A NEW YEAR 1944

Have a prosperous year
And strive to furnish proper
Needs to your assureds.
Our facilities are available for
Various programs so you may
Effectively solicit insurance.
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For excellent service
Use our facilities;
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Teamwork is essential to
Onward progress.
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EDITORIAL COMMENT

The Biddle Actuarial Bureau

The brief filed by the Department of Justice before the U. S. Supreme Court in the S.E.U.A. case, we think, belies the bland assurances of Attorney General Biddle that a holding that insurance is commerce and subject to the anti-trust laws would not constitute or lead to federal control of insurance.

On page 67 of the brief there is a heading that reads: "The insurance industry should be subject to federal regulatory power," and the final paragraph under that heading reads:

"Arguments should not be necessary to show that a nation-wide industry of this magnitude, operating across state lines, falls within the scope of the national commerce power. Indeed, from the time of Marshall, this court has recognized that the fundamental purpose of the commerce clause was to permit regulation by the national authority of the 'commerce which concerns more states than one . . . and (of) those internal concerns which affect the states generally.' Indisputably this characterization fits the insurance industry."

Moreover, in addition to this direct assertion that there should be federal regulation, the brief undertakes to say exactly how the fire insurance rates shall be made and how the states shall supervise the making of such rates. Mr. Biddle doesn't say that there should be a federal bureau to make rates but he just about prescribes the procedure that the individual states shall follow. The federal government would insist that virtually the whole weight be placed upon the statistical results. The Department of Justice is completely smitten with the idea that the statistics tell the whole story and that they should automatically govern the tariff. The states would be permitted by Mr. Biddle to collect such statistics and prepare what he calls burning rates. The insurance companies would then be permitted to use such burning rates as the indemnity portion of their rates but it would not be permissible to have uniform loading among the companies for agents commissions, administrative expenses, taxes, etc. Those loadings, Mr. Biddle asserts, should be determined by the individual company in relation to its actual acquisition and administrative costs. The states should not be permitted to say what the final premium shall be. To prove that this is the best of all possible systems Mr. Biddle says that is how the life insurance companies do it and he also cites London Lloyds as an example.

We will not attempt at this point to suggest that there may be imperfections

in the program of the Biddle Actuarial Bureau, for our purpose is merely to indicate that the Department of Justice is not engaged simply in an interesting but innocent classroom legalistic debate but it has the ulterior purpose of providing immediate federal control of insurance through the negative influence of the Sherman anti-trust law and perhaps paving the way for federal control through a Washington bureaucracy.

Whether a Supreme Court decision that insurance is subject to the federal anti-trust laws would interfere with state regulation depends on whether one is addressing a subcommittee of the Senate judiciary committee or the United States Supreme Court, to judge from the recorded statements of Attorney-General Biddle.

When Mr. Biddle was before the Senate subcommittee on Oct. 27 he said, according to page 74 of the transcript: "There is no inconsistency involved in this position [that the Sherman act applies to insurance despite the states' power to regulate] and no conflict between state regulatory laws and the Sherman act."

Again, at page 136 of the transcript, he said: "The proposition established by these cases [Minnesota rate case, Binderup v. Pathe Exchanges, etc., sustaining state taxation of business subject to the commerce power of Congress] may be summarized by stating that in the absence of a direct program of specific regulation undertaken by Congress itself and the passage of laws to effectuate such a program, state regulation as such has nothing to fear from the Sherman act."

Yet Mr. Biddle's is the first name signed to the Justice Department's brief filed with the Supreme Court which admits that the subjection of the insurance business to the Sherman act would certainly collide with state regulation in at least five states and possibly as many as 16, depending on how the Justice Department viewed the state's method of regulation. He contends that regulation in the other states would not be affected but offers no assurance that the Justice Department would continue to be of that opinion in the future.

In fact, since it has taken Mr. Biddle and his staff only two months to switch from a belief that no state's regulations would be in conflict with the Sherman act to a position that at least five and perhaps 16 states would have to change their methods of regulating insurance, it

would not be remarkable if later on, when it might suit his convenience, Mr. Biddle were to decide that on closer examination no type of state regulation entirely complied with the Justice Department's views.

What Mr. Biddle says in effect is: "States, if you want to regulate the insurance business, be sure you do it in a way that doesn't conflict with the Sherman act." Except in those states whose regulations the Justice Department gives a clean bill of health there would be many types of activity which would be in danger of being held illegal under the Sherman act but mandatory or at

least permissible under state laws.

The big question, of course, is not which side can cite the most imposing historical evidence or best read the minds of long-dead jurists but what is going to be done about a system of regulation which has grown up in reliance on state legislation and Supreme Court decisions. The question is whether this system shall be hamstrung and perhaps destroyed, with consequent widespread harm and uncertainty to a great business and millions of policyholders for the sake of applying a restrictive statute that was never intended to apply to the insurance business.

The Paper Shortage

Last year THE NATIONAL UNDERWRITER was obliged, because of government restrictions on the use of paper, to consume 10% less paper than was used in 1942. This year an additional 15% cut has been imposed upon magazines, and so in 1944 THE NATIONAL UNDERWRITER must use 25% less paper than was consumed in 1942.

As one means of cutting down its use of paper, THE NATIONAL UNDERWRITER has decided to reduce its margins, in this way saving about 8% in its total paper use. This week's issue is the first to be published with the smaller margin. It will be observed that the actual page size itself has not been cut down; it is only the margins that have been reduced. This restricted use of paper applies to all magazines using 25 tons or more in a calendar year. Publishers using more than 5 tons, but not more than 25 tons, are curtailed only 10%. THE NATIONAL UNDERWRITER is one of a very few insurance papers having a circulation large enough to be placed under the 25% restriction.

With all magazines of large circulation, the compulsory cut in paper use is serious. For instance, the Hearst magazines (Good Housekeeping, Cosmopolitan and Harper's Bazaar), now accept no new subscriptions. The McGraw-Hill Publishing Co., largest trade paper publishing organization in the

world, will accept only enough new subscriptions to replace subscribers who fail to renew. Many nationally circulating magazines have had to ration both advertising and subscriptions. Some insurance companies which have tried to place advertising in magazines with a large national circulation have had their business refused, the magazines taking the position that they could accept no new business.

Fortunately, THE NATIONAL UNDERWRITER is not in such an unenviable position, but we are exercising every possible care to avoid waste in the consumption of paper. We are printing no more copies each week than are absolutely needed. We can no longer furnish checking copies to advertisers, complimentary copies or exchange subscriptions with other publishers. We must hold down the size of the paper each week so as to be certain that a 25% saving is being effected. There will, however, be no decline in the editorial or news quality of the paper. The material coming to us will be edited more closely and unnecessary, uninteresting and unimportant items eliminated. The same character of news service that has been rendered in the past will be continued. The restrictions simply mean that in order to meet the government's requirements the paper will be edited more closely.

Selectivity in Committee Appointments

The appointment of the National Association of Insurance Agents standing committees this year shows a high degree of selectivity and intelligence in putting the right men in the right place. The standing committees may seem to be more or less perfunctory and yet there is an opportunity through their machinery to accomplish much. They enable the organization to make research and study along specialized lines. There is a vast difference, for instance, between the rural agents committee and

aviation committee.

Some of these committees take on more than usual importance and fortunately their chairmen and associates are agents who have a special aptitude for the particular work assigned to them. More and more will be expected from these committees. Evidently much time was taken this year in combing over the membership and securing those that have the qualifications and experience to fit them for the work before them. Much will be expected from them.

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January 6, 1944

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PERSONAL SIDE OF THE BUSINESS

Theodore M. Gray, executive secretary of the Ohio Association of Insurance Agents, has put out nominating petitions for reelection to the Ohio senate, in which he has served two terms.

K. C. White, assistant general manager of Underwriters Adjusting, is in St. Luke's Hospital, Chicago, for observation and rest. He will be there for another two weeks.

Boyle O. Rodes of W. H. Markham & Co. has been selected to head the special subscriptions division of the Fourth War Loan campaign in St. Louis and St. Louis county.

Miss Noranne Reiss, daughter of Fred H. Reiss, Ohio state agent Employers Fire, and **Ensign William A. Barber**, a nephew of J. A. Neilan, state agent of Norwich Union, were married in Columbus. Ensign Barber formerly was in the claims department of Liberty Mutual in Honolulu. He has seen active service and is now on his way to Quonset Point, R. I.

Charles Shaw, Clayton, Mo., local agent and a director of Missouri Insurance Company, has filed as a candidate for the Republican nomination for United States senator. He is a former mayor of Clayton.

C. R. Tuttle, retired western manager of the North America group, states that while he has been compelled to live in Chicago at the Webster Hotel for some little time because of medical supervision following a case of pneumonia contracted on his way back to Concord, N. H., yet his legal residence is at 37 North Main street, Concord. He is now improving and has been able to go to the Union League Club in Chicago to join his old friends at the Round Table for luncheon. He will return to Concord when he is physically able to do so.

Mrs. W. W. Barrett, whose husband is Kansas state agent for Fireman's Fund, is in charge of Shawnee county war loan headquarters at Topeka for the fourth war loan drive.

ence had been with Fireman's Fund. He started with that company in 1911 at the age of 20 and he had been manager since November of 1937.

Mr. Michael was born at Monroe, Ga., and graduated from Georgia School of Technology. In 1935 he completed a two-year night study course at Woodrow Wilson College of Law in Atlanta and was admitted to practice in the Georgia supreme court in 1936.

He joined Fireman's Fund in the bookkeeping division of the southern department and served in the loss and statistical departments and as assistant to the cashier until 1916 when he was transferred at his own request to the underwriting department. Later in the same year he entered the field as north Georgia special agent and then he was appointed as the first superintendent of the automobile department when it was set up as a unit separate from the marine division. After service in the war, he returned to Fireman's Fund as Florida special agent and in 1923 was transferred to the Louisiana field. In 1926 he was named agency superintendent, in 1929 assistant manager and he became head of the department in 1937 after C. A. Bickerstaff was killed when struck by lightning on the golf course.

Mr. Michael was a member of the executive committee of the Southeastern Underwriters Association, the advisory committee of the Fire Companies Adjustment Bureau, southern committee of the National Automobile Underwriters Association, executive committee of the Atlanta Insurance Library and was chairman of the Louisiana-Mississippi conference committee.

Texas Agency Leader Dies in Galveston

Douglas S. Montgomery, 58, Galveston, Tex., since 1915 associated with the Fred M. Burton & Co. agency there



DOUGLAS S. MONTGOMERY

in the development of the marine department, died after a brief illness. A native of Scotland, he came to the United States in 1908 after a brief stay in Canada, and associated himself with his uncle, J. S. Montgomery, in the insurance business. He was prominent in musical circles, was a past president of the Galveston Insurance Board and long active in the Texas Association of Insurance Agents and the National association.

Albert M. Buddy, 50, associated for several years with the Philadelphia agency of Stokes, Packard & Smith, died at his home in Haddonfield, N. J.

George N. Alden, 98, for 47 years one of the outstanding local agents of New Bedford, Mass., until his retirement in 1912, died from influenza. He was state commander of the G. A. R. and the last

surviving veteran of the Civil War in his city.

John A. Johnson, 65, Gloucester, Mass., local agent, prominent in the activities of the New England agents' associations, died there. He had headed his own agency continuously since 1900. He was a past president of the Cape Ann Board of Insurance Underwriters.

William T. Clarke, 75, former Iowa field man, died in Des Moines after a long illness. He was in the field for many years, having represented Iowa National Fire, Mill Owners Mutual and Connecticut Fire.

Andrew H. Skelton, agent at Morris, Ill., died there. Several years ago he purchased the former Ole Nelson agency. Recently his wife has been operating the business.

J. L. Selby, 77, agent at Greenville, O., until he retired more than two years ago, died there. Mr. Selby operated an agency in Greenville for 27 years.

Fred W. Smith, 72, who, with his brother the late Peter P. Smith, founded the Smith Brothers agency in Adams, Mass., 46 years ago, died suddenly. He had served as postmaster of Adams and continued as assistant postmaster when a change in politics made his brother postmaster.

Mrs. Eugenia Funkhouser of Evans-ton, Ill., died last week. She was the widow of Maj. M. L. C. Funkhouser, prominent in Chicago insurance circles a number of years ago. He was a member of the firm of Montgomery & Funkhouser, local agents, and also general agent for Farmers & Merchants Fire of Lincoln, Neb. Major Funkhouser was long identified with the national guard, being a major. He served for three years as deputy police superintendent in Chicago. He took a leading part in the Illinois Field Club. Four daughters survive Mrs. Funkhouser.

Roy F. Bast, 43, Milwaukee local agent since returning from the first world war, died after two years of ill health complicated by pneumonia.

Fred J. Johnston, 66, for a number of years a member of the Johnston-Ramsdell Company agency, San Antonio, in which he was associated with Earl B. Ramsdell, and later with the claim department of the San Antonio Public Service Company, died after a brief illness. He had resided in San Antonio 40 years.

P. E. Gragg, 65, head of the P. E. Gragg & Co. agency, San Antonio, died there. He had been a resident of San Antonio for 36 years and active in the business.

Henry A. Blumenthal, 36, son of Alex M. Blumenthal, secretary of the Chicago Board, was killed when the car

Former North Carolina Leader Is Dead



SAMUEL RUFFIN

Samuel Ruffin, 55, former president and secretary of the North Carolina Insurance Agents Association, died in a Fayetteville, N. C., hospital.

Until his health failed in 1936 he was a member of the Connor & Ruffin Agency at Raleigh and was active in the Raleigh Insurance Exchange, in which he held a number of offices. He was a veteran of the former war and a member of the American Legion. Funeral services were held in Raleigh.

in which he was riding and a bus collided in Chicago. H. A. Blumenthal was in defense work in Forest Park, Ill., and was returning to his home. His two companions were also killed.

T. M. B. Gunn, 82, chairman of La Prairie Mutual Fire, Janesville, Wis., and formerly president for 30 years, died at his home.

Raymond B. Lewis, 50, Bozeman, Mont., local agent, died there following a series of heart attacks.

Benton W. Humphrey, 69, former banker and local agent of Hopkinton, Ia., died at his home from a heart ailment.

The policies of Berkshire Mutual Fire are now on a non-assessable basis except in Iowa. Previously the assessment liability was one annual premium.

DEATHS

Fireman's Fund Southern Head Dies at 52

Russell W. Michael, manager of the southern department of Fireman's Fund



R. W. MICHAEL

in Atlanta, died in a hospital Sunday from a cerebral hemorrhage. He had entered the hospital shortly before Christmas. Funeral services were held Tuesday.

Mr. Michael's entire business experi-

PREVENTION OF FIRES AND
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part of our specialized engineering service



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of policyholders and has cemented the mutually profitable relationship between the Company, its Agents and Brokers—a large majority of whom have been "Preferred Producers" for a long period of years.

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Ind. Court Vacates Judgment in License Law Fight

Suit Involving Bar Against Salaried Agents to Go to Trial

INDIANAPOLIS — In a surprise move last Friday, Superior Judge Ham-mill of Marion county vacated the judgment that he had entered the previous week holding unconstitutional that section of the 1935 agent's license law which provides that an agent may be licensed to represent a company on a commission compensated basis exclusively. The judgment had been entered after Attorney General Emmert and attorneys for Hardware Mutual Casualty informed the judge that they were in agreement that this provision of the law barring the licensing of salaried agents, is null and void.

However last Friday Emmert made a motion to vacate the judgment. That was opposed by the attorneys for Hardware Mutual, whereupon Judge Ham-mill vacated the judgment on his own motion.

This means that the case will be open for argument and the two sides will submit briefs. The case was started by James Schoonover, an agent at Vincennes representing mutual companies. He is seeking a declaratory judgment that this section of the law is unconstitutional. This provision of the law has never actually been enforced and last March the attorney general gave an opinion that it is unconstitutional.

It was brought to the attention of the attorney general that the state insurance department against which the suit had been brought originally, was not represented at the hearing following which the decree was given that the law is null and void and for that reason the attorney general asked the court to set aside the decree. The attorney general then asked the court to set aside its decree of Dec. 20 which, under the circumstances, the court agreed to do, and handed down this second ruling Dec. 31.

This puts the case back in the original status before the ruling of Dec. 20 and it will, in due course, be brought to trial.

Won't Review Pacific Mutual Case

WASHINGTON—The U. S. Supreme Court Monday refused to review two cases involving an attempt to upset the rehabilitation program of the old Pacific Mutual Life and the voting trust agreement under which the present Pacific Mutual operates. The suits were instituted by W. H. Neblett, Vernon Bettin and Alfred F. MacDonald in 1938. They lost out in the lower court and before the California supreme court.

Department of Labor Bulletin

The Division of Labor Statistics of the U. S. Department of Labor has gotten out a publication "Principal Features of Workmen's Compensation Laws as of September, 1943," which contains much valuable data for those interested in the compensation line. It is bulletin No. 62.

Robert J. Walker, advertising manager of Standard Accident, was elected to the board of governors of the Direct Mail Advertising Association at its annual meeting.

Beebe Chairman, Chambers President of U.S.A.U.

NEW YORK—D. C. Beebe, president of United States Aviation Underwriters, has been named chairman, and R. M. Chambers, vice-president, has been made president. At the same time A. J. Smith, assistant treasurer, was made vice-president and financial manager and R. S. Anderson, assistant secretary, was advanced to vice-president and chief underwriter.

After the last war, in which he was a pilot in the air force, Mr. Beebe spent eight years in the insurance brokerage field in New York and several months in Europe studying aviation insurance in Great Britain, France, Italy, and the Scandinavian countries. He organized the United States Aircraft Insurance Group in 1928, which was originally composed of four fire and four casualty companies. It now includes 59 fire and casualty companies. U. S. Aviation Underwriters, Inc., are the group's underwriting managers.

Mr. Chambers served as pilot in the 94th (Hat in the Ring) squadron in the last war, becoming commanding officer following the return of Capt. "Eddie" Rickenbacker to the United States following the armistice. He was later commanding officer of the first pursuit group under General "Billy" Mitchell. After leaving the service he went into commercial aviation and headed one of the first companies to receive an air mail contract. His company also purchased the first all-metal airplane built by the Ford Motor Company.

Mr. Smith, a certified public accountant, has handled accounting and statistical work of the organization for more than 14 years. He recently gave a paper on aviation insurance at the fall seminar of the Insurance Accountants Association.

Mr. Anderson joined the group shortly after its formation and has been in aviation insurance ever since that time. He has been instrumental in initiating many new underwriting practices now in use which were designed to meet the rapidly changing needs in a new industry.

Final Liquidation Dividend

A final liquidation dividend of 26.8 cents per share has been declared by Associated Insurance Fund, holding corporation of Associated Indemnity and Associated Fire & Marine until their sale to American Automobile. The fund will then dissolve. The first liquidating dividend was \$10 a share.

La Rocque Assistant U. S. Manager of London Guarantee

D. W. LaRocque has been appointed assistant U. S. manager, and H. J. O'Brien promoted to superintendent of the compensation and liability department of London Guarantee.

Mr. LaRocque's entire business career has been spent with the Phoenix-London group. He started in 1922 as a policy checker in the home office of London Guarantee which at that time was located in Chicago. He was later transferred to the policy writing division.

When the home office of London Guarantee moved to New York, Mr. LaRocque was promoted to underwriting, handling automobile, compensation, and miscellaneous liability lines. In 1935 he was made superintendent of the compensation and liability department and has since held that position.

H. J. O'Brien started with the Phoenix-London group 17 years ago in the accounts department, later transferring to underwriting. Previously he spent two years with Metropolitan Casualty.

Ready for Ill. Equity Rate Parley

William Leslie, general manager, and A. E. Spottke, head of the automobile department of the National Bureau of Casualty & Surety Underwriters, will attend a meeting Tuesday morning in the Chicago Board auditorium that has been called by the Illinois department to discuss the future of equity rating of automobile insurance fleets in the state. The department has invited all companies writing automobile liability in the state to be represented and has also extended an invitation to agents and brokers. The Casualty Managers Association of Chicago has appointed a committee headed by W. O. Schilling, U. S. F. & G., and that group will be on hand.

The department has been conducting discussions and negotiations for a number of months on the subject and two or three times issued requirements that were subsequently lifted or modified, to put an end to equity rating as now practiced. Insurance Director Jones a few weeks ago postponed a deadline that had been set for the abolishment of equity rating, to March 1.

Mr. Leslie and Mr. Spottke will be guests of the Chicago Casualty & Surety Managers Association at a luncheon while they are in Chicago.

Insurers Keep Track of Outside Theft Losses

Separate Coding Made— National Bureau Answers Coverage Questions

NEW YORK—In compiling their experience on residence burglary business companies since Jan. 1 are now indicating by a special entry the losses due to the outside theft feature which was added last year.

By this separate coding of outside thefts the companies will be helped toward getting a more accurate idea of not only the cost of the entire outside theft feature but also of the mysterious disappearance coverage, on which companies differ as to the scope that should be included. Though mysterious disappearances can, of course, take place inside the insured's residence it is anticipated that most of them will be elsewhere.

There is no special coding for mysterious disappearance losses and probably it would be meaningless to have one in view of the difference of opinion among companies as to whether the term should be construed broadly or strictly.

Issues Question-Answer List

In an effort to clarify various features of the residence burglary and outside theft policy the National Bureau of Casualty & Surety Underwriters recently sent out a list of questions and answers. In answer to the question, "What is a mysterious disappearance?" the answer given is, "A disappearance under circumstances which cannot be explained." The next question is, "If a stone is discovered missing from a ring, would it be covered?" Answer: "If the cause of the stone's disappearance is mysterious there would be coverage, otherwise no coverage exists."

It will be seen that this leaves it pretty largely to each company to work out with its claimants just when a disappearance is mysterious and when it is not.

Can Rebut Presumption

Another question dealing with mysterious disappearance is, "After a loss is established, such as mysterious disappearance and a presumption of theft exists, does not the company have the privilege of rebutting the presumption with facts and circumstances surrounding the loss, thereby establishing a question of fact to be determined?" The answer to this question is, "Yes."

Many companies will not answer hypothetical questions dealing with mysterious disappearance. Undoubtedly the desire is in general to interpret the term "mysterious" as broadly as is reasonably possible without opening the gates to a type of loss that is neither mysterious nor presumably the result of theft. Only time will tell whether policyholders are reasonable enough so that a liberal definition of "mysterious" can be safely followed or whether because of unreasonable claims and perhaps court decisions it will be necessary for the companies to pull in their horns.

Postwar Possibilities

One thing that underwriters are watching carefully is what will happen after the war is over. Right now people are careful of their belongings outside

(CONTINUED ON PAGE 17)

Leaders in National A. & H. Association



H. J. Bisch



C. A. Sholl



M. L. Seltzer



G. H. Knight

Homer J. Bisch, National Casualty, Toledo, president National Association of Accident & Health Underwriters, and C. A. Sholl, Globe Casualty, Columbus, vice-president, will preside at sessions of the winter meeting in Des Moines next week. M. L. Seltzer, General Accident,

is president of the Des Moines association, convention host. G. H. Knight, Federal Life & Casualty, Cleveland, is chairman of the Leading Producers Round Table and will have charge of its sessions at that meeting. An outstanding program will be presented.

CHANGES IN CASUALTY FIELD

Wade Made Manager Campbell Pittsburgh of Ohio Casualty of Ohio Casualty in San Francisco Manager of Hartford Steam Boiler

Ohio Casualty has appointed Harry E. Wade as manager of its San Francisco branch office, located at 114 Sansome street. That office supervises the company's activities throughout northern California. Mr. Wade succeeds T. A. Reese, who has been acting manager, and who recently resigned to return to the Employers group, with which he was formerly associated.

Mr. Wade has been in charge of the comprehensive liability department in the home office of National Automobile of Los Angeles. He has been in the casualty and surety business about 20 years, 12 years in northern California for National Casualty until the consolidation of its business there with that of Continental Casualty. He is well and widely known in the territory.

Ohio Casualty provides complete facilities in California for the writing of full coverage automobile, fidelity and surety bonds, plate glass, liability, compensation and burglary and operates two branch offices in the state—the other one being located in Los Angeles.

Indemnity of N. A. Makes Several Claim Changes

C. E. Bleil, who has been with Indemnity of North America in Washington, D. C., has returned to the Indianapolis service office as superintendent of its claim division. John F. Whitehouse, who has been serving as claim superintendent at the Indianapolis office, goes to Washington in the same capacity.

Norbert E. Miller, adjuster in the Cincinnati claim division of the company, has been made superintendent of the division. He succeeds James M. Buck, who has gone into service.

The claim division in Richmond, Va., has changed its address to the Life of Virginia building, 914 Capitol street.

Two Continental Cas. Claim Men

G. J. Donke, formerly manager of the claim department for Ohio Casualty in the Chicago office, has gone with Continental Casualty as a claim supervisor working out of the home office under W. C. Swisher, claim superintendent. He was in the claim department of Continental Casualty's Chicago branch office several years before going with Ohio Casualty.

B. J. Dubrow, assistant claims manager for Pennsylvania Casualty at Baltimore the past four years, has gone with Continental Casualty as a claim examiner in the home office.

Seaboard Surety Coast Change

Ray Rosendahl, member of the brokerage firm of Miller, Kurhts & Rosendahl, underwriting managers for Seaboard Surety in California, has retired to become state general agent for the company. The firm becomes exclusively a brokerage concern and O. L. Cox, long with Johnson & Higgins at Los Angeles, becomes a member of the firm, hereafter to be known as Miller, Kurhts & Cox.

Grayson to Commercial Standard

L. B. Grayson, Los Angeles adjuster, has been named superintendent of claims by L. H. Angell, Pacific Coast manager of Commercial Standard, with headquarters in Los Angeles. He has been in claim work on the Pacific Coast since 1924.

Anderson Assistant Manager

Gustave H. Anderson, assistant casualty lines manager of Travelers in Pittsburgh, has been appointed assistant manager.

Hartford Steam Boiler announces the retirement of William P. Wallace as manager at Pittsburgh and the appointment of F. S. Campbell as his successor.

The granting of Mr. Wallace's request to be relieved of his duties terminates a period of 48 years in various positions of responsibility with the company. Joining the staff of the Boston department in 1895, he was in 1929 appointed assistant manager at Pittsburgh. In 1943 he was made manager.

Mr. Campbell is a native of Nebraska and a graduate of the engineering courses of the University of Nebraska. He went with the company in 1932 after several years experience in engineering work and since then has been associated with the Chicago department, first in Minneapolis and since 1939 in Chicago. He is succeeded in Chicago by Joseph Grant, who has been stationed at Milwaukee for the past eight years.

Get Standard Surety in Wash., Ida.

Frazier & Co. of Seattle have been appointed general agents of Standard Surety & Casualty in Washington and Idaho. J. Glen Liston who joined the firm several months ago, will serve as manager of the casualty and surety department.

Globe Indemnity Special Agent

Chester W. Grott, who has been with Globe Indemnity, Chicago, six months in the casualty, accident and health, bond and boiler and machinery departments, is going into the field Jan. 15 as a special agent traveling Illinois, Wisconsin and Iowa.

Prior to joining Globe Indemnity Mr. Grott was a compensation and liability underwriter in the Continental Casualty home office for two years. Before that he was an underwriter at the Bituminous Casualty home office. He is a graduate of the University of Alabama and a native of Lawrence, Mass.

American Indemnity's new Ohio service office is located in the Ohio State Savings building, Columbus, and is in charge of Fred G. Colborne, state agent. This office has complete service facilities.

Arthur F. Connolly, casualty manager in the New York City office of Globe Indemnity, has been appointed resident secretary. He has been with Globe since 1921.

Change Minn. Truck Procedure

ST. PAUL—Companies which write public liability insurance on trucks in Minnesota probably will be relieved of the necessity of filing a policy on each individual assured with the state railroad and warehouse commission. It virtually has agreed to accept in the future a certificate in lieu of a complete policy. This will save the companies considerable expense and trouble.

Standard Acc. Wins Tax Case

LANSING, MICH.—The Michigan supreme court has upheld Standard Accident in a tax suit against the city of Detroit and Wayne county. The city had tried to collect taxes on insurance companies on the basis of April 1 records, in accordance with a local ordinance, rather than on the calendar year basis, using Dec. 31 as the tax value date. The court ordered the city to refund \$75,000 to Standard Accident in accordance with its ruling, the company having paid the levy under protest.

Lloyds Increases Malpractice Rates in Western States

SEATTLE—Lloyds of London has increased malpractice liability rates in California, Oregon, Washington, Utah, Idaho, Montana, Arizona, Colorado, Wyoming, New Mexico, Nevada, British Columbia, Alaska and the Hawaiian Islands.

The new rates for \$5/\$15,000 basic limits are:

Class I osteopathic physicians and osteopathic surgeons and osteopaths using electrical modalities, \$60. Class II osteopaths whose practice does not exceed manual therapy and the prescribing of drugs and medicines, \$40. Class III osteopaths using x-ray for therapeutic treatment, \$160.

Chiropractors who are members of state association or other recognized official institutions, \$30.

Rates on Physicians

Physicians and/or surgeons who are members of American Medical Association and affiliated local societies, \$60. Advertising physicians and/or surgeons, four times the regular rates.

Physicians and/or surgeons using x-ray for any therapeutic treatments and plastic surgeons: Members of American Medical Association and affiliated local societies, \$160. Advertising physicians and/or surgeons, four times regular rates.

Chiropractors and drugless physicians, \$60.

Physiotherapists, \$45.

Rates on Dentists

Dentists, \$30. Advertising dentists to be charged six times the regular rates. Extraction specialists to be charged two times the regular rates.

For higher limits the rates are: \$10,000/30,000, 133 1/3%; \$15,000/45,000, 160%; \$20,000/60,000, 185%; \$25,000/75,000, 210%.

Unless otherwise stated, a 33 1/3% increase in rates is to be charged for non-members of state or local societies. Nurses and technicians are to be charged \$15, basic limits, for each employed nurse and technician as disclosed in the proposal form. No charge for office assistants. Three-year policies may be issued for three times the annual premium, less 10%, payable in full at inception. No installment premiums are permitted.

J. F. Jungkunz Retires as Head of Economy Auto

L. F. Jungkunz, president and treasurer of Economy Auto of Freeport, Ill., the past four years, has retired. Mr. Jungkunz has been with the company since May, 1921.

As a parting tribute from associates and employees, Mr. Jungkunz was presented a handsome wrist watch. His successor will be named at the annual meeting Jan. 25.

Terry Assistant Agency Head Hartford Steam Boiler

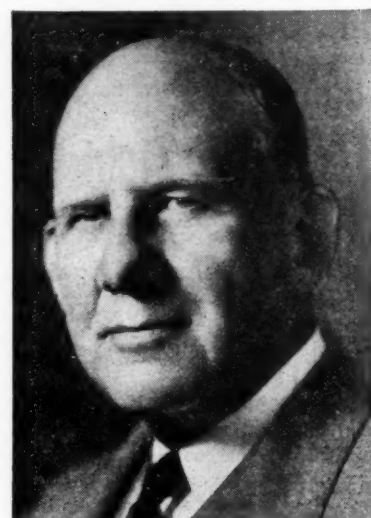
Hartford Steam Boiler has appointed S. B. Terry, Jr., as assistant superintendent of agencies.

A graduate of the Sheffield Scientific School of Yale University, Mr. Terry joined the company in 1932 and was for several years a special agent in the Cleveland department. He went to the home office early in 1942 to become editor of the company's technical magazine, "The Locomotive."

Dividend in Ohio Liquidation

A third dividend of 10% is being distributed to holders of claims previously allowed against American Underwriters Mutual Casualty of Cincinnati. This

Half-Century Man



CURTISS C. GARDINER

President Curtiss C. Gardiner of Hartford Steam Boiler celebrated on New Year's day the 50th anniversary of his start with the organization in St. Louis. Mr. Gardiner has been since then both manager at St. Louis and at New York. He was made an officer and director of the company in 1927, and when Wm. R. C. Corson became chairman in February, 1942, he was elected president. Mr. Gardiner received many congratulatory messages from all parts of the country.

J. E. Folkers Office Celebrates

The Chicago office of Bituminous Casualty under Manager J. E. Folkers passed the \$1,000,000 mark in premiums in 1943. This represented a substantial increase over 1942, and in celebration of the event, Mr. Folkers and his staff held open house last week. A number of friends and business associates dropped in during the afternoon.

H. H. Cleaveland, Jr., vice-president and general manager of the company from the home office at Rock Island, and Roy Hesse, manager of the underwriting department, attended. Mr. Folkers, who has managed the office for the past three years, was host.

Mich. Bar Insurance Committee

LANSING, MICH.—Roscoe O. Bonisteel of Ann Arbor heads the State Bar of Michigan insurance law committee for 1944.

Among the better known members of the committee are: Howard D. Brown, Detroit Automobile Inter-Insurance Exchange; Herbert B. Thompson, secretary-counsel Michigan Life Underwriters Association; J. T. Hammond, Benton Harbor; Henry A. Platz, Wolverine, Lansing; William C. Searl, Auto Owners, Lansing; and Harold E. Warner, state corporations and securities commissioner.

Dean W. Kelly, president of Wolverine, immediate past president of the State Bar, is on the legal publications committee.

E. H. O'Connor Schedules Talks

E. H. O'Connor, executive director of the Insurance Economics Society, will address a combined meeting of the District of Columbia Life Underwriters Association with casualty and health and accident groups Jan. 6. He will also address the Baltimore Life Underwriters Association Jan. 7, and the Hartford Rotary Club Jan. 10.

brings the total distribution to 85%, aggregating \$72,099. The company is being liquidated by the Ohio department.

1943 Auto Death Toll Down 20%

November Shows Increase Over 1942; Year's Estimate 40% Under 1941

The 1943 total of deaths from automobile accidents is estimated at 23,000 by the National Safety Council. This is a 20% decline from 1942 and approximately 40% below the pre-war toll of 1941.

Figures for 11 months show a decline in traffic deaths of 21% from the same period of 1942 and 43% compared with 1941. However, the council points out, November was the second successive month in which the total of deaths from automobile traffic accidents increased over the corresponding period of the preceding year. November showed a 3% increase over November, 1942, compared with the 19% increase in October over October, 1942. November was 40% below November, 1941.

A comparison of mileage and death figures for the first 10 months of 1943 with the same period in 1941 shows that only in January did the mileage decrease exceed the decrease in deaths. For the other months beginning with February and running through October the comparison of the mileage with the death decrease was 32 and 41, 27 and 37, 32 and 40, 36 and 42, 29 and 50, 37 and 47, 40 and 51, 30 and 46, 32 and 38, and for the 10 months 35 and 43.

Of 39 states reporting in November 20 showed decreases, 14 increases and five no change, compared with November, 1942. The death trends for 11 months are shown by the following figures for the various regions, the first figure representing comparison of 1943 with 1941 and the second 1943 with 1942, all figures being decreases: North Atlantic 39 and 22; south Atlantic, 44 and 22; north central, 49 and 29; south central 45 and 24; mountain 47 and 28, and Pacific 29 and 6.

The urban death total for November showed an increase of 1%. Of 374 cities reporting, 85 showed increases, 90 decreases and 199 no change. For the 11 months 132 cities showed increases, 172 decreases and 70 no change.

New Compensation Rating Plan Approved in Mo.

The new workmen's compensation rating plan has been approved in Missouri effective Jan. 1.

North Carolina, which had previously approved only the stock company portion of the program, has now sanctioned the non-stock setup as well, retroactive to Oct. 1.

In Missouri table 1 is to be used and the tax multiplier is 1.026.

New Kentucky Insurer Starts

The Kentucky Farm Bureau Mutual, the newly formed affiliate of the Kentucky Farm Bureau Federation, started operations Monday at its headquarters, 3710 Lexington road, Louisville. According to A. H. Calvert, who is president of both organizations, the insurer will provide "low cost" insurance on autos and farm trucks and will also insure calves belonging to 4H Club and Future Farmers of America members. It will start with about 5,000 policies. Since 1940 Farm Bureau Mutual of Indiana has been insuring Kentucky Farm Bureau risks and the profits on that business have been accumulated to provide resources for financing the Kentucky insurer.

California Casualty Indemnity Exchange has issued a 30th anniversary brochure highlighting its progress under the management of Carl G. Brown.

Insurers Keep Track of Outside Theft Losses; Answer Cover Questions

(CONTINUED FROM PAGE 15)

of their homes, knowing that it would be difficult to replace these things with others of equal quality. Also, once the war is over and automobiles are readily obtainable by civilians car owners will probably not be so careful to keep their machines locked. Cars will be more generally used, with consequent greater chances for theft from automobiles.

It is possible that many insured have an exaggerated idea of what they can recover. A man may believe that if someone steals his overcoat in a restaurant the insurance company will replace it with a new one. He may be forgetting that depreciation will cut into his recovery unless the garment is practically new.

ADDITIONAL ANSWERS

Besides the three questions dealing with mysterious disappearance, above referred to, the questions and answers put out by the National Bureau included the following:

1. Does the policy cover golf and other equipment left in lockers at clubs, Y.M.C.A.'s and similar places stolen during the absence of the owner? Yes, except when the property pertains to the business or profession of such person.

2. Does the policy cover coats and hats, whether checked or not, stolen from restaurants, clubs and similar places? Yes.

3. Does the policy provide the same coverage as a personal effects floater policy? Although the policy probably covers a very large part of the total losses paid under the personal effects floater policy, it does not provide the same coverage. The policy does not cover breakage or other damage to property not caused by theft, vandalism or malicious mischief. This means that the policy does not cover damage by fire, by water, by windstorm, etc. Neither does it cover disappearance which is not mysterious. However, in the personal effects policy there is a limit of 10% of the amount of insurance, not to exceed \$100, on any one article of jewelry or fur, while the residence and outside theft policy covers in full.

4. What coverage is afforded with respect to members of the insured's household while attending school or college, or while in military service? Such persons are deemed still to be "permanent members of the insured's household" under such circumstances. The following endorsement may be used in such cases: "If the insured or a permanent member of his household is in the armed services of the United States or is a student attending school or college his dwelling quarters in connection with such services or attendance shall not be deemed a 'dwelling occupied or rented to him' within the meaning of division (b) of Coverage B." Note. Division (b) of Coverage B will probably be revised in the relatively near future which will make further use of this endorsement unnecessary.

5. When insurance away from the premises is applicable to a loss which is also covered by a personal effects floater policy or by some other inland marine policy, is there a standard rule with respect to interpretation of the "other insurance" condition? No, because of differing language in the other insurance provisions of the inland marine covers, it is impossible to adopt a rule applicable in all cases. All that can be said is that in some instances there is conflict which makes it difficult or impossible to determine which coverage, if either, is an underlying coverage. Until some agreement is reached between casualty companies and marine companies, each situation will have to be met and handled on its merits.

6. An insured under a policy affording insurance in the amount of \$1,000 applicable to Coverages A and B, rents a cottage for six months. More than 60 days later a boat rented with the cottage, while tied up near the cottage and off the premises, is stolen. Does the policy cover the loss? Yes, it is intended that the policy shall cover up to a limit of \$500.

7. Is it proper to issue the policy to cover a farm risk? If so, to what extent

does it cover hazards of a risk of this nature? Is it necessary to enter farming as a business in Item 4 of the declarations? Is loss of chickens excluded? The policy is proper for a farm risk and the insurance applies in the same manner as to other types of risks. "Farming" should be entered as an exception in Item 4. Loss of chickens is excluded under subdivision (3) of exclusion (b).

8. Is a farm tractor an automobile within the meaning of "automobile" as used in exclusion (b)? No.

9. If property of a residence employee is stolen while the employee is on a trip with the employer's family, for example, from an automobile or from a place where property had been checked, would the loss be covered? Yes. While employees are away from the employer's residence on trips with the employer's family, employees should be deemed "engaged in the employment of the insured" and the property should be deemed "in their custody" under the foregoing circumstances.

10. Does Coverage B apply to a portable typewriter or a fountain pen owned by the insured and occasionally used in matters relating to the business of its owner? Yes.

11. What is meant by the exclusion of "automobiles or the equipment thereof?" The intent is to exclude only that coverage which is provided by a standard automobile physical damage policy. The automobile policy covers the automobile "and its equipment." The test is one of identification with a particular automobile so that the property may be said to be equipment of that automobile. If such identification can be made the coverage is deemed to be under the automobile policy even though the equipment is not attached to or in the automobile. If such an identification cannot be made and the property is only automobile equipment or accessories at large, the property is not deemed to be covered under the automobile policy. Under the language of the exclusion of the residence and outside theft policy the equipment excluded is the equipment of a particular automobile. Automobile equipment at large is not excluded.

12. How is the limit of liability of \$100 upon money to be construed when the policy covers a coin collection? It is not intended that the limit shall apply to coins which have a numismatic value.

13. What is the intent of exclusion (a) of Coverage B reading "property pertaining to the business or profession of such person?" (a) It is intended to exclude coverage on uniforms, equipment and other property of members of the military forces, which property is owned by and is returnable to the government. (b) It is not intended to exclude coverage on uniforms belonging to members of the military forces. (c) Personal effects belonging to members of the military forces shall not be construed as property pertaining to the business or profession of such persons. (d) It is intended to exclude coverage on money in a vending machine operated by the insured as a sideline at his place of employment. (e) It is intended to exclude coverage on money belonging to the insured's business or his employer.

Delahunty Chicago Claim Speaker

Gilbert T. Delahunty, claim department manager of Alliance Life, will discuss "The Suicide Type" at the meeting of the Chicago Claim Association Jan. 11. R. N. Hosteny of the F. B. I. will detail the work of his organization on national defense.

Cincinnati Office Moves

CINCINNATI—Mutual Benefit Health & Accident's office here is being moved from the Fountain Square building to Dixie Terminal building. Starting the office with a small premium volume, Manager C. L. Gurney has increased production every year to a point where the office accounts for about \$300,000 of premiums annually.

Standard Fire policy booklets comparing 1943 New York Form with 1918 Form and 1886 Form available from F. C. & S. Bulletins, 420 E. 4th St., Cincinnati 2, Ohio. Write for prices.

Michigan Protests on Tenn. Reduction

Commissioner Declares Wolverine State Entitled to More Liberal Treatment

LANSING, MICH. — Commissioner Forbes of Michigan has filed a vigorous protest at the action of the National Council on Compensation Insurance in granting a 17% reduction in compensation rates in Tennessee. Mr. Forbes charges that it appears that Michigan, and probably other states, are being unfairly dealt with if the Tennessee reduction is allowed to stand. He dispatched copies of the letter to commissions of all the states and requested the National Council to explain its action in granting the Tennessee reduction after the original filing had been made and after the dispute that followed.

While Mr. Forbes said he had extended his congratulations to Commissioner McCormack of Tennessee on "his accomplishment" in gaining the reduction, he voiced belief that "such a decision on the part of the National Council vitally affects the relationship between Michigan and the National Council." He cited some of the parallel circumstances between Michigan's situation and that of Tennessee and pointed out that if Tennessee was entitled to the reduction, Michigan employers apparently are due even greater reductions in view of the larger "back log" of profit on Michigan business and the much larger volume of premiums.

W. W. Humphreys Head of N.A.I.A. Casualty Committee

Following the naming of 15 committee chairmen of the National Association of Insurance Agents for 1944, President Fred A. Moreton, Salt Lake City, now announces the personnel of the completed roster of committees including the casualty group, chairman of which is W. Wright Humphreys, Philadelphia.

The finance committee is the only one specifically authorized under the new constitution; the remaining 15 groups are authorized by the National Board of State Directors, except in instances where, for the purpose of meeting current developments and emergencies, the president is empowered to name committees.

Mr. Humphreys' Career

Mr. Humphreys, the new casualty chairman, was educated at Temple University and the University of Pennsylvania. He entered insurance with Hutchinson, Rivinus & Co. in July, 1913, and was admitted to the firm in 1940 after having served as an associate partner. He has taken an active interest in Philadelphia insurance circles. He recently represented his firm on the executive committee of the Insurance Agents & Brokers Association of Philadelphia and is now chairman of its casualty committee. He was recently elected a director of the Pennsylvania Association of Insurance Agents.

G. C. Kilborn and Houd Join Forces

H. W. Houd, who has for the past few years been acting as special representative in Minnesota and Wisconsin for Lumbermens Mutual Casualty, has resigned to enter the local agency field in partnership with Gordon C. Kilborn at Rochester, Minn. The firm, formerly known as the Gordon C. Kilborn agency will operate under the name of Kilborn-Houd agency.

ACCIDENT AND HEALTH

Federal Life Offers Family Hospital Policy

Federal Life has brought out a family hospital policy, the coverage being very similar to that provided by its "Modern Hospital Policy" except that maternity benefits are provided in the family contract and not in the individual policy.

The family policy has broader limits particularly with respect to wife and children. Coverage may now be provided up to \$5 per day for the wife and children as well as the husband. The limits for surgical coverage are broader under the family policy since all members of the family may now have two units of the surgical schedule and the schedule itself has been broadened, particularly with reference to the wife and children.

The surgical benefits are optional at an additional premium, the cost for the husband and each child being \$5 for one unit and \$7 for the wife.

For hospital benefits of \$5 per day the cost is \$10 for the husband and for each child and \$15 for the wife. The cost

for \$4 and \$3 per day indemnity is scaled accordingly. The coverage is from one to 60 days for any one claim plus incidental hospital expenses up to five times the daily indemnity. There is no limit as to the number of claims per year.

The benefits are increased 5% if the premium is paid on an annual basis and there is given three additional days of benefit each consecutive year (up to 10) that the policy is continued in force.

Benefits are payable for hospital confinement as a result of pregnancy of the wife after the policy has been in force for 12 months. The total amount payable for any one pregnancy is limited to 10 times the daily hospital indemnity.

The policy does not cover any condition for which the insured is entitled to any benefit under any workmen's compensation law. It does not cover any sickness because of which a surgical operation is performed within six months from the date of the policy.

It is not necessary that all members of the family have the same amount of daily indemnity except that the daily hospital indemnity for the wife must be the same as for the children. Surgical benefits, if included, must be the same for each member of the family and if any member of the family is covered all members must be covered.

All members of the family including husband, wife and all unmarried children between six months and 18 years of age even though some may be considered uninsurable, must be included in the application. If one or more members are uninsurable the policy will be issued covering the other members.

Mutual Benefit H.&A. to Sponsor Radio Program

Mutual Benefit Health & Accident is sponsoring the United States Junior Chamber of Commerce's "Freedom of Opportunity" radio program over the Mutual network every Friday night 7:30 to 8, central war time, starting Jan. 14 for 26 weeks. The life of a Junior Chamber of Commerce member who has been chosen the outstanding young man in his community in 1943 will be dramatized each week, followed by a presentation of the chamber's award. Outstanding national figures, including Mrs. Dwight Eisenhower, J. Edgar Hoover, head of the F.B.I. and W. A. Patterson, president United Airlines, will appear on the programs.

Mutual Benefit H. & A. is the first exclusive accident and health company to advertise on a nationwide hookup and the program is to be devoted to building prestige for the company and there will be no attempt to secure business by mail.

A special closed circuit broadcast is to be held at 3:30 p.m. central wartime on Jan. 7 to Mutual Benefit agents who will listen from their local mutual network stations. Miller C. McClintock, president Mutual Broadcasting Company, will discuss "Mutual Benefit Through Mutual Network;" Douglas Timmerman, vice-president United States Junior Chamber of Commerce,

"Freedom of Opportunity;" and Joe Ainlee, director and producer, will review the highlights of the radio program. A. W. Heuertz, president Mutual Benefit Managers Association, will speak from Memphis on advantages of the radio program to managers; D. M. Brovan, San Francisco manager, "How We Plan to Use a Broadcast in the West;" D. S. Walker, Philadelphia manager, "How Radio Will Help Direct Mail;" William Edgeworth, New York City manager, "How We Plan to Use the Broadcast in the East;" and Hub Carden, superintendent of agencies home office, "Freedom of Opportunity with Mutual Benefit." President C. C. Criss will conclude the program with "At Your Service."

To Hear British Navy Man

Lt. Peter Dearing of the British navy will talk on "Britain Today and Yesterday" before the Boston Life & Accident Claim Association Jan. 14. He was in the blitz over London.

Enters Two New States

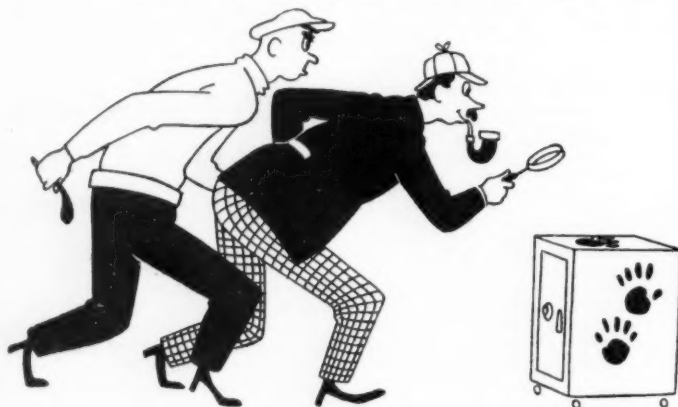
American Hospital & Life of San Antonio has entered Tennessee and Kentucky. President S. E. McClellan states that the location of agencies and the names of the managers will be announced soon. The capital of the company has been increased from \$100,000 to \$200,000 by retirement of outstanding preferred stock through a stock dividend plan. It now has in excess of \$150,000 surplus.

Hinton Cleveland President

The Cleveland Accident & Health Association at its annual meeting elected these officers: President, James T. Hinton, National Casualty; vice-president, L. Brent Wood, U. S. F. & G.; secretary-treasurer, T. H. Leath, Retail Credit Company.

Directors are: Gilbert H. Knight,

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Federal Life & Casualty; A. W. Lorenz, Maryland Casualty; H. H. Nunamaker, Columbian National Life; Thomas D. Russell, North American Accident; Chas. F. Stewart, Cleveland Insurance Agency; Walter Sullivan, Monarch Life, and Walter E. Watt, Continental Casualty.

Cal. Doctors Told Not to Accept Insurance Checks

The California Medical Association is advising its members not to accept checks from insurance companies for fees of patients carrying medical or surgical indemnification policies. It suggests that doctors return such checks to the issuing companies with a simple statement that the matter of payment is being handled directly with the patient.

"Doctors are under no contractual obligation to the insurance carrier," the association points out, "but are dealing directly and only with the patient under the usual physician-patient relationship. If the insurance company wishes to send its indemnification check to the patient, that is a matter between it and the policyholder."

Explains Blue Cross Procedure

In answering to a query appearing in "Medical Economics" regarding arrangements made under Blue Cross hospitalization plans in situations where

members cannot be accommodated because of overcrowded conditions, C. Rufus Rorem, Blue Cross director, stated that such cases are limited and the procedure followed by individual plans are not identical. "When patients cannot be hospitalized, the contract provides, (a) refund of one or two years' premiums if hospitalization cannot be obtained in a member or non-member hospital; or (b) payment of a per diem allowance during a period in which the subscriber receives care in his own home or in a non-member sanitarium, nursing home, or maternity home," Mr. Rorem explained.

Vissar Is Milwaukee Speaker

MILWAUKEE—John Vissar, counsel of Old Line Life, will speak at the Jan. 6 meeting of the Milwaukee Association of Accident & Health Underwriters.

SS Report on A. & H. Delayed

WASHINGTON—Information from the Social Security Board is that a report on the results of its questionnaire on accident and health insurance is not expected for about two months. Material in reply to the questionnaire was slow coming in.

Prof. Ralph H. Blanchard, whom the Board engaged to make the study, was expected here about Jan. 1 with the study results in report form, but latest

information is that he will not bring in the report until the end of February.

Dr. Blanchard is professor of insurance at Columbia University, New York City, and president of the Casualty Actuarial Society.

Omaha Seeks Convention

Members of the Omaha Accident & Health Underwriters Association who attend the winter meeting of the National association at Des Moines next week will present an invitation for either the annual or winter meeting next year on behalf of Omaha.

The Omaha association expect to be represented in Des Moines almost 100%.

Group Totals at Year End

T. I. Parkinson, president of the Equitable Society, estimates that at the end of 1943 there was in force \$100 million of weekly indemnity under group accident and health insurance; \$4,800 million group accidental death and dismemberment; \$15,400,000 daily benefits under group hospitalization.

Belfi to National H. & A.

National Accident & Health of Philadelphia has appointed S. E. J. Belfi manager of its underwriting department. Mr. Belfi is a native of Philadelphia and since 1925 has been connected in various capacities with General Accident. He has a wide acquaintance in the accident and health field and is nationally known as the author of the popular sales manual, "Selling Disability Insurance." He has been active in civic affairs as well as in the insurance field.

COMPENSATION

Compile Okla. Experience; Further Rate Cut Sought

OKLAHOMA CITY—Following the reduction in compensation rates by the Oklahoma state fund, conferences have been held between Ralph C. Heard, secretary of the Oklahoma insurance board, and representatives of compensation writing companies, which have agreed to compile their experience for 1943 with a view to further reduction in rates. The results of compilations are to be filed with the insurance board by April 1.

The cut in the state fund rates will be 5%, effective July 1, instead of Jan. 1 as stated last week.

A reduction of 6.6% was made last September by private carriers but Governor Kerr contends that this is not enough.

Express Sentiment for O. D. Act in Virginia

RICHMOND—In discussing the proposal to bring occupational diseases under the Virginia compensation act, William H. Nickels, Jr., member Virginia Industrial Commission, stated that approximately 95% of all accidents resulting in disabilities are the fault of the employee. Since industry is almost wholly responsible for hazards which produce occupational diseases it appears that the paradox is present of charging the employer with liability for injuries caused by the negligence of the employee and exonerating him from responsibility for industrial hazards not involved on the employee's part.

The proposed amendment will be presented to the general assembly when it meets this month.

The Richmond "Times-Dispatch" in an editorial holds that there is little disagreement over the desirability of changing the Virginia act to include coverage for occupational diseases and the only opposition comes from those who overestimate the cost of the proposed change. Convincing evidence is offered, according to the "Times-Dispatch" that even if occupational dis-

eases are included under the act the 1943 rates, reduced last April by about 5% will remain below the 1942 level. There is disagreement, however, over whether to specify occupational diseases or to make coverage all-inclusive. The industrial commission leans toward adoption of the all-inclusive coverage.

Ohio Employee Is Restricted

The Ohio attorney general has held that the state industrial commission has no authority to grant an injured employee of a self-insuring employer the right to select medical, hospital or nursing services of his own choice, except in an emergency where the employer is unable to select, and furnish the services.

The fact that services furnished by an employer are clearly inadequate or incompetent does not give an injured employee the right to substitute services of his own choice so as to render the employer liable therefor, unless the employee has first obtained authorization from the industrial commission.

New Minn. Commission Member

ST. PAUL—Arthur A. Stewart, former St. Paul city attorney and county commissioner, has been appointed member of the Minnesota industrial commission and probably will be named a member of the compensation insurance board, as it is considered desirable to have at least one lawyer on that board and there is none at present.

Settle Arizona Controversy

The Arizona industrial commission has paid Tucson \$6,875 on the city's claims of over-payment on workmen's compensation cover of city officials. An insurance dispute started in 1932 when the commission which administers the state compensation fund, charged the city \$7,000 for back premiums, part of which was on officers. In 1940 when R. E. Butler, Tucson city manager, was killed in an automobile



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accident, his insurance claim was disallowed by the commission. The Arizona supreme court ruled that officers getting more than \$200 per month were not insurable under the law. The law was amended by the last legislature.

Ariz. Fund Rate Reductions

An average 15% cut in workmen's compensation rates has been voted by the Arizona industrial commission, which administers the state compensation fund. All minimum premiums were reduced, and a rule adopted to permit small employers either to pay the actual premium based on their rate or one-fourth of the new minimum, whichever is greater. Some of the reduced rates are: Small mine operators, from \$12.58 to \$9.23, minimum premium from \$155 to \$104; truck operators, \$7.52 to \$4.97, minimum \$131 to \$65.

SURETY

Surety Companies' Service Valuable

Companies writing contract bonds are highly pleased with the conclusions reached by the Army and Navy departments after they had decided not to accept any more bonds. They found themselves engulfed in a number of problems which delayed action. The surety companies in their files had complete record of all people engaged in the contracting business or trying to get in that line. Therefore they could underwrite contractors and subcontractors at once. Then the material men had to be considered. The Army and Navy found that they did not have the information and hence many projects were held up for weeks until an investigation could be made. The authorities concluded that the surety companies rendered a real service and that their information was invaluable especially when it came to getting contract bonds in shape as rapidly as possible.

When the war is over and private building starts undoubtedly there will be many more private contract bonds written than heretofore. The surety companies therefore are preparing for such increase and they are having their files brought up to date.

John O'Hea Heads N. J. Surety Underwriters

NEWARK—At the annual meeting of the Surety Underwriters Association of New Jersey these officers were elected: President, John A. O'Hea, National Surety; vice-president, Walter C. Schryver, U. S. F. & C.; secretary-treasurer, R. H. Morgan, Glens Falls Indemnity. Samuel M. Williams, Jr., Maryland Casualty, is a new trustee.

Surety business in New Jersey for the year just closed was reported as showing an increased premium volume over 1942 and losses somewhat lower than in the previous year.

Waive Court Bond Renewal Premium in Service Delays

NEW YORK—The Towner Rating Bureau has amended its court bond rules to provide that no renewal premium shall be collected while a party in a law action is in the armed services and the case is continued or placed on a special reserve calendar because of this. The rule applies only to renewal premiums becoming due after the party is actually inducted. The rule provides that the right to charge a renewal premium shall be revived when the party or parties cease to be in the service. The new provision applies whether the party in the service is the principal under the bond or another party to the case.

Big Coast Housing Bond

LOS ANGELES—The Los Angeles branch office of Fidelity & Deposit has

executed a bond for E. S. McKittrick Co., Inc., running to the Federal Housing Authority, on a contract for the erection of 1,600 temporary units at San Diego, at a cost of \$3,201,508. There is a 50% performance bond and a 40% payment bond. Four other coinsurers are on the line.

Anderson Seattle President

The Surety Underwriters Association of Seattle elected new officers at the annual meeting Dec. 30. L. K. Anderson, Great American Indemnity, is the new

president; Werner Dietz, John A. Whalley & Co., vice-president, and Gerald L. Perry, Hartford Accident, re-elected secretary-treasurer. The executive committee includes George Rourke, Aetna Casualty; J. C. McCollister, McCollister & Campbell; A. O. Stuber, Massachusetts Bonding; Walter Morris, Thieme-Morris and J. E. Charbonnel, Fireman's Fund Indemnity.

Increase Lincoln City Coverage

LINCOLN, NEB.—The city council has directed its treasurer to increase to

\$500,000 the amount of insurance now being carried on \$800,000 of negotiable securities, an increase of \$62,000. These securities, deposited in a trust company safe, represent authorized bond issues not converted into money because the civic enterprises they will finance have been held up by the war. The council chose to increase this coverage rather than increase the \$150,000 bond of the city treasurer. The city has carried this type of insurance since bank robbers in 1930 stole more than \$1,500,000 from the safe of a national bank here, forcing it to liquidate.



This is the plan that OPENED the door

I know . . . I used the Manufacturers Plan and sold workmen's compensation insurance to one of the largest self-insured risks in town. In fact, by using all of their facilities, I landed the entire insurance account, including the fire.



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THE MANUFACTURERS COMPANIES ACCEPT BUSINESS ONLY THROUGH AGENTS AND BROKERS

Oral Arguments Set for Jan. 10

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Aggressive Selling Assistance

A multiple-line stock casualty company which offers financial strength—prompt claim service—up-to-the-minute sales and advertising aids—standard policies. It will pay you to investigate The Buckeye Union, an aggressive company for aggressive agents. Writing Automobile, Plate Glass, Burglary and Public Liability.

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Chicago Manpower Survey Made

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employees for service in other departments or duties.

Insurance is sold primarily through agents and brokers, the report continues. As independent contractors they operate their own offices, and deal constantly during working hours with home offices and branch offices of companies in connection with the insurance affairs of their clients. It is estimated that in the Chicago area covered by the 48-hour work week order there are approximately 2,000 agency and brokerage offices of which less than 100 employ eight or more persons. Consequently, the report states, the vast majority of agency and brokerage offices have less than eight employees and would be exempt automatically from the 48-hour week. Since they serve the public, it is doubtful if they could change their hours, generally between 9 a. m. and 5 p. m. If a part of the industry were to continue on a 35 to 40-hour basis and the remainder should go to a longer week, confusion and waste of manpower would result, the report states.

The work performed by various departments in an insurance office depends on the flow of work, which varies considerably from time to time so that at certain periods employees work 48 hours or more yet because the business requires prompt service and full facilities at all times, it is not possible to lay off employees between rush periods. In the first three months, for instance, statistical work is enormous. In March, April, May a good deal of the automobile business is done; the automobile claim department receives its heavy run of losses in the summer and winter, while in life and accident and health claim departments the burden comes in winter months. A 40-hour work week with overtime when and as required appears to give the best promise of meeting these problems.

There would be no appreciable in-

crease in the amount of insurance business produced and serviced in a longer week. The payroll increase would add expense which could not be offset by additional income. The committee points out there are some fixed price limits, such as on life insurance policies, allowances to agents for premium collection or incidental service, which are a matter of contract, etc. Offices in such circumstances do not have the money or margin for paying a 50% higher rate of wage for 20% of the work, on an extra eight hours; or for 10% of the work, on an extra four hours.

Insurance is a business of great detail and demands extreme accuracy. Experience, the committee states, has demonstrated over many years that insurance employees render their best service with a normal work week of 36 to 40 hours, the range in which the schedule of most offices now fall.

Application of the 48-hour work week would not reduce labor requirements, the committee has found. Though handling much more business than two years ago, the work is being done with 11.2% fewer employees. There has been a decrease of 2,048 male employees in that time, 29%, which has been offset to some extent by an increase of 86 female employees and introduction of 1,145 part time employees. This has not taken into account the effect of the heavy personnel turnover which has resulted in the substitution of less highly trained employees, the report comments. Most of the younger male employees are in service, and with few exceptions the remaining men in the industry are too old for military service. Being office workers they are not the type adaptable for industrial work in war production plants. Most of the female employees willing and able to enter war production already have done so. More than 25%, 2,538 out of 10,340 female employees, would be entitled to individual exemptions under the minimum war time work week because of household duties, other employment, or physical limitations.

Adoption of a five-day work week by many of the larger insurance offices in Chicago and vicinity has permitted many insurance employees to work in war plants on a part time basis, do hospital work, Red Cross work, etc. A 48-hour work week would seriously curtail these activities.

Insurance employees, 1,186 in the offices surveyed, such as claim investigators and adjusters, engineers, payroll auditors and special agents do field work on a fluctuating work week basis. Many are working more than 48 hours a week now, though there are times when 48 hours would be excessive.

Any uniform increase in the work week would result in intermittent waste of manpower and add to the manpower shortage because many now employed in insurance offices, especially housewives, would prefer to remain idle rather than work for a longer period than they are doing at present, the report states.

The committee believes that the industry is not in a position to release workers for war work, but the business could contribute to the relief of the manpower shortage in several ways. The average work week of offices now is between 38 and 39 hours, and an increase to 40 hours is recommended. The committee will recommend that offices utilize the services of part time workers on an evening shift basis so as to minimize the hiring and training of new full time employees. For the same purpose it will recommend use of overtime for full time workers, and that hiring of new full time employees be kept at a minimum. Where new workers are needed, it will recommend recruiting from groups not adaptable to war work.

Each office with eight or more employees should prepare to file with the War Manpower Commission's request for an exception to the 48-hour work week order, since no blanket exemptions

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Immediate opportunity for experienced collision adjuster in northeast part of Indiana by 23 year old insurance agency. Steady employment. Give qualifications, references and date of availability in first letter. Our employees know of this advertisement. Address T-80, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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By one of the leading casualty companies for Chicago or adjoining territory. Draft exempt. In reply state age, past experience, territory serviced, salary expected, and if willing to leave Chicago. Address Box T-84, care The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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To insure personal effects for colored people (furs excluded), against burglary, etc. Have plans that should prove highly profitable to underwriters. Have potentially 30,000 Chicago and suburb homes to be insured. Premium income could be \$150,000 to \$250,000 per annum. If interested write WALTER L. LOWE, Insurance Broker and Counselor, 6 East Garfield Blvd., Chicago. Phone Drexel 3402.

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By an Insurance Company for its Chicago Office. Male, age 25-45 with College training. Address T-79, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Prefer girl having some experience as typist in Bond Department. Unusual opportunity for intelligent girl to learn the business. State previous experience, age, and salary expected. For interview address Box T-82, care The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Ill.

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Insurance is sold primarily through agents and brokers, the report continues. As independent contractors they operate their own offices, and deal constantly during working hours with home offices and branch offices of companies in connection with the insurance affairs of their clients. It is estimated that in the Chicago area covered by the 48-hour work week order there are approximately 2,000 agency and brokerage offices of which less than 100 employ eight or more persons. Consequently, the report states, the vast majority of agency and brokerage offices have less than eight employees and would be exempt automatically from the 48-hour week. Since they serve the public, it is doubtful if they could change their hours, generally between 9 a. m. and 5 p. m. If a part of the industry were to continue on a 35 to 40-hour basis and the remainder should go to a longer week, confusion and waste of manpower would result, the report states.

The work performed by various departments in an insurance office depends on the flow of work, which varies considerably from time to time so that at certain periods employees work 48 hours or more yet because the business requires prompt service and full facilities at all times, it is not possible to lay off employees between rush periods. In the first three months, for instance, statistical work is enormous. In March, April, May a good deal of the automobile business is done; the automobile claim department receives its heavy run of losses in the summer and winter, while in life and accident and health claim departments the burden comes in winter months. A 40-hour work week with overtime when and as required appears to give the best promise of meeting these problems.

There would be no appreciable in-

crease in the amount of insurance business produced and serviced in a longer week. The payroll increase would add expense which could not be offset by additional income. The committee points out there are some fixed price limits, such as on life insurance policies, allowances to agents for premium collection or incidental service, which are a matter of contract, etc. Offices in such circumstances do not have the money or margin for paying a 50% higher rate of wage for 20% of the work, on an extra eight hours; or for 10% of the work, on an extra four hours.

Insurance is a business of great detail and demands extreme accuracy. Experience, the committee states, has demonstrated over many years that insurance employees render their best service with a normal work week of 36 to 40 hours, the range in which the schedule of most offices now fall.

Application of the 48-hour work week would not reduce labor requirements, the committee has found. Though handling much more business than two years ago, the work is being done with 11.2% fewer employees. There has been a decrease of 2,048 male employees in that time, 29%, which has been offset to some extent by an increase of 86 female employees and introduction of 1,145 part time employees. This has not taken into account the effect of the heavy personnel turnover which has resulted in the substitution of less highly trained employees, the report comments. Most of the younger male employees are in service, and with few exceptions the remaining men in the industry are too old for military service. Being office workers they are not the type adaptable for industrial work in war production plants. Most of the female employees willing and able to enter war production already have done so. More than 25%, 2,538 out of 10,340 female employees, would be entitled to individual exemptions under the minimum war time work week because of household duties, other employment, or physical limitations.

Adoption of a five-day work week by many of the larger insurance offices in Chicago and vicinity has permitted many insurance employees to work in war plants on a part time basis, do hospital work, Red Cross work, etc. A 48-hour work week would seriously curtail these activities.

Insurance employees, 1,186 in the offices surveyed, such as claim investigators and adjusters, engineers, payroll auditors and special agents do field work on a fluctuating work week basis. Many are working more than 48 hours a week now, though there are times when 48 hours would be excessive.

Any uniform increase in the work week would result in intermittent waste of manpower and add to the manpower shortage because many now employed in insurance offices, especially housewives, would prefer to remain idle rather than work for a longer period than they are doing at present, the report states.

The committee believes that the industry is not in a position to release workers for war work, but the business could contribute to the relief of the manpower shortage in several ways. The average work week of offices now is between 38 and 39 hours, and an increase to 40 hours is recommended. The committee will recommend that offices utilize the services of part time workers on an evening shift basis so as to minimize the hiring and training of new full time employees. For the same purpose it will recommend use of overtime for full time workers, and that hiring of new full time employees be kept at a minimum. Where new workers are needed, it will recommend recruiting from groups not adaptable to war work.

Each office with eight or more employees should prepare to file with the War Manpower Commission's request for an exception to the 48-hour work week order, since no blanket exemptions

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By one of the leading casualty companies for Chicago or adjoining territory. Draft exempt. In reply state age, past experience, territory serviced, salary expected, and if willing to leave Chicago. Address Box T-84, care The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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To insure personal effects for colored people (furs excluded), against burglary, etc. Have plans that should prove highly profitable to underwriters. Have potentially 30,000 Chicago and suburb homes to be insured. Premium income could be \$150,000 to \$250,000 per annum. If interested write WALTER L. LOWE, Insurance Broker and Counsellor, 6 East Garfield Blvd., Chicago. Phone Drexel 3402.

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Prefer girl having some experience as typist in Bond Department. Unusual opportunity for intelligent girl to learn the business. State previous experience, age, and salary expected. For interview address Box T-82, care The National Underwriter Company, 175 W. Jackson Blvd., Chicago 4, Ill.

are permissible, the committee points out. The committee suggests that the filing be made Jan. 14 or 15 so that if it can confer with Director Spencer the committee can hold a general meeting to give offices the benefit of later developments. However, if the conference is not held before Jan. 16 it probably will be held shortly thereafter, and then the committee will call a meeting or issue a bulletin. Each office is at liberty to state its own case and request any particular modification of the order that may suit its own situation.

The subcommittee which is handling details of the program consists of Rollin M. Clark, Continental Casualty and Continental Assurance; Walter M. Sheldon, W. A. Alexander & Co., president of the Chicago Board, and Chase M. Smith, Lumbermen's Mutual Casualty, who is chairman of the general committee.

"WHAT is a 'nut'?" was asked a college student by his professor. The student replied in verse:

When you've bats in your belfry that flut,
When you've nobody home in the top of your dome,
Then your head's not a head—it's a "nut."



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It is a tradition with the Pennsylvania Casualty Company to give attention to the seemingly unimportant things. Unusual requests or questions from agents and policyholders alike are answered in the true spirit of service.

This desire to serve better has been largely responsible for the steady progress made during the past 23 years.

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Speaks from Producer's Standpoint

J. C. McKay of the McKay-Clarke Insurance Agency of Tampa, Fla., makes some comment from a producer's standpoint dealing with the long and complicated forms that are required. Mr. McKay plaintively writes:

"Far be it from me to criticize insurance companies. I have made my living working for them for 50 years. I am, however, asking relief for the meek and lowly local agents. Thousands and thousands of people, including insurance companies, the great S.E.U.A., the great National Bureau of Casualty & Surety Underwriters, and the local agent, wonder how our big Uncle Sam can devise so many intricate, complicated and technical forms and require them to be completed with exactness.

"Today we received a form from an insurance company—a form as long as your arm—'Supplemental Endorsement,' etc., etc. It will take half an hour to complete this form. We don't understand half of it and we doubt if the company does, but the legal department of the company says he must have it. Lawyers must make a living.

"Why, oh why don't companies, when they change rates, think of the work, trouble and inconvenience they are imposing on the local agent? Why don't they use plain English that the public as well as the agent can understand? Make it short, Mr. Company, and to the point. You are just as tough on the agents and the public as Uncle Sam is on you and the public."

Finds for Insurer in Case Involving Thoroughbred Bull

The Kansas supreme court ruled for the insurer in Phillips vs. Hartford Accident, a case involving coverage on a thoroughbred bull. Two points were involved, injury of the bull before insurance was effected and inconsistent defenses. Insured claimed there was an oral contract, the agent accepted the premium and agreed that the policy would be effective from June 16, 1941. He contended there was also a written contract and sought its reformation in accordance with the oral instrument.

The insurer denied an oral contract, claiming that the agent had no authority to make it and that the bull was not in good health at that date, having already been injured. The insurer also alleged that the insured made fraudulent representations in the application and

that the animal was already injured at the time of the alleged oral contract.

Defenses Not Inconsistent

The appeal court held that test of inconsistency in defenses is whether proof of one necessarily disproves the other. The defenses pleaded were to separate counts, to which the insurer was entitled. None of the defenses was inconsistent, the court held. The court also ruled that questions as to the effective date of the policy, and whether conditions of the policy had been violated by removing the bull to an open range instead of keeping him in a private stable, were properly submitted to the jury.

In his appeal, Plaintiff Phillips stated that Hartford Accident's local agents at Pratt were general agents with authority to accept proposals for insurance and to collect and receipt for such coverage. On June 16, 1941, Phillips orally proposed that the agency write \$2,000 insurance against loss by death of the bull with premium of \$120 a year. He stated that the agent orally accepted the proposal, agreeing the insurance would be effective immediately on payment of premium, and that he paid the premium June 16.

Arguments of Assured

Phillips argued that on June 16 and previously the bull was in sound health and condition and remained so until June 20 when it suffered accidental injuries from which it died Oct. 11. Phillips said the agent notified the company by telegraph June 16 of the insurance and that the company accepted, though it did not forward the policy until June 26.

In its answer Hartford Accident said that Phillips submitted an application dated June 3, but kept it for some time before signing it. The local agents were not general agents and did not have authority to make an oral contract. Hartford Accident stated in its answer, and Phillips was advised of that fact. Phillips, the company alleged, failed to notify the insurer of the injury to the bull as required by the policy and alleged that the animal already was injured on June 16. It was further argued that Phillips had failed to comply with the terms of the policy requiring him to take proper care of the animal after its injury.

The company stated it offered its

Sees Big Future for Contract Bonds

U. S. Fidelity & Guaranty Official Predicts Much Business After the War

Vice-president C. C. Conlon of the United States Fidelity & Guaranty in charge of the contract bond department, in the company's house organ discusses the probable situation with regard to such bonds after the war. He calls attention to the fact that during the war era material and manpower were devoted to the military needs. This caused a rapid retarding of private building but now construction work in that line has almost ceased. The federal government's building program, Mr. Conlon opines, has been substantially completed so that there is very little construction contract bond business.

Sees Fine Postwar Business

He believes, however, that this is only a temporary situation. He predicts that immediately after the war demands for permanent housing will be intensified. State, county and municipal buildings must be repaired and in many cases rebuilt. Manufacturing plants must be converted to peace time products.

Highways will be expanded. Long deferred plans for increased water and sewage facilities in many cities will be resurrected. There will be a flood of construction with consequent demands for contract bonds.

Mr. Conlon admonishes producers that it is only natural that the insurance man who aids in the planning of post war construction should be the one who will reap the benefit of increased construction bond demand. In every state, in practically every city and in many counties committees are being formed to project and carry through post war construction. These are largely made up of interested citizens. On these are found the most prominent men of the community and therefore the agents should be in close touch with these committees if they are not already members.

Mr. Conlon said that post war construction is very much to the interest of the public and therefore agents should take an active part in any such planning.

check as a refund of the premium paid together with interest.

The court found that in the application dated June 3 Phillips represented the animal was kept in a private stable. On the next day the animal was removed to an open range 15 miles west of the private stable and was practically cut to pieces while trying to get over a barbed wire fence. The veterinarian first treated the animal on June 21 and doubted if there was a chance of saving it. W. H. Timmons, general agent for the company, testified that the policy would not have been issued on a herd sire which was permitted to run on an open range.

William B. Hess, Pratt, Kan., appeared for Phillips, and the following for Hartford Accident: D. C. Martindell, W. D. P. Carey, W. E. Brown, E. B. Brabets, Hutchinson, Kan., and R. F. Crick and M. C. Bucklin, Pratt, Kan.

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Convention Dates

Jan. 11-14, Fire department instructors conference, Memphis, fire department headquarters.

Jan. 11-12, National Association of Accident & Health Underwriters, winter meeting, Des Moines, Hotel Fort Des Moines.

Jan. 19, West Virginia Fire Underwriters Association, Huntington, Hotel Prichard.

Jan. 24, National Association of Surety Bond Producers, Chicago, Palmer House.

April 19-21, Insurance Accounting & Statistical Association, Omaha, Hotel Fontenelle.

No Business Direct



NATIONAL SURETY CORPORATION

VINCENT CULLEN
President

Duluth Lisco

The Duluth Lisco Company changed its name to Duluth Lisco & Co. Inc. The company is a member of the Duluth Lisco Chamber of Commerce.

Illinois with F

A committee of the Illinois Insurance Association, headed by President Owen G. Kepner, is working on a plan to encourage the use of fire insurance in the state.

H. R. F in W.

The fire insurance industry in Wisconsin has added a new member to its ranks. The new member is the Wisconsin Fire Insurance Association.

Minn. F

The Minnesota Fire Insurance Association has elected a new president. The new president is Mr. J. H. St. Pierre.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Duluth Agency Now Liscomb-Hood Co.

The title of the Charles F. Liscomb Company agency of Duluth has been changed to Liscomb-Hood Company. Charles F. Liscomb, former president of the National Association of Insurance Agents, remains as president and Rodrick V. Hood, who has been associated with the agency since 1933, becomes vice-president and secretary.



R. V. Hood

Mr. Hood is vice-president of the Duluth Underwriters Association and is a member of the inland marine committee of the National Association of Insurance Agents. He is a director and a former president of the Duluth Junior Chamber of Commerce.

Illinois Agents Confer with Farm Underwriters

A committee from the Illinois Farm Insurance Agents Association, including President F. L. Boden, London Mills, Owen G. Tradewell of Rantoul, C. E. Kepner, Rochelle, J. R. Marquiss, Monticello, Geo. P. Smith of Bloomington, and W. H. Barricklow, Arcola, met with some members of the Farm Underwriters Association in Chicago, Monday, to discuss subjects pertaining to the writing of farm business. Increased commission on installment plan farm cover was touched on, together with waiver of the mortgage clause, automatic reinstatement of insurance after losses of less than \$100, etc. The agents received no encouragement on the commission matter or mortgage clause.

The farm agents group expects its June convention in Peoria to be the largest ever held, Mr. Boden said.

H. R. Price, Jr., Now Partner in W. H. Markham & Co.

The firm of W. H. Markham & Co., which was founded in St. Louis in 1872, has added as another partner Holton R. Price, Jr., who has been with the firm for the past three years as manager of the general casualty department and also acting as insurance adviser in connection with a number of the larger war industries.

From 1931 to 1941, he was assistant manager at St. Louis of United States Fidelity & Guaranty.

The Markham firm now has nine partners. The senior member of the firm, George D. Markham, is a former president of the National Association of Insurance Agents.

Minn. Regional Chairmen Named

ST. PAUL—President Armand Harris of the Minnesota Association of Insurance Agents has named these regional activities chairmen: Central, Albert A. Barton, Little Falls; Duluth, Bert C. Hubbard, Duluth; East Central, Lawrence H. Bakken, Cloquet; Lake, R. W. Smyth, Park Rapids; Minneapolis, William C. Dahl; Northwest, C. M. Berg, McIntosh; Park, Sterling N. Olness, Rothsay; Range, Art I. Naslund, Eveleth; St. Paul, L. D. Engberg; Southern, George F. Parkos, New

Prague; South Central, Al C. Johnson, Springfield; Southeastern, Francis McGovern, Rochester; Southwestern, William M. Holm, Pipestone; Twin City Suburban, J. M. Kudrna, Robbinsdale; West Central, Lyle M. Smith, Hollo-way.

Sellers Heads Cat's Meow

ST. LOUIS—Robert W. Sellers, manager of the surety and burglary department of W. H. Markham & Co., has been elected most wise meow of the St. Louis court of Cats Meow, succeeding W. R. Dunham, Mercantile Insurance Agency.

Other officers elected include Mel Palm, marine department Aetna Fire; Jules Kertanek, broker, F. D. Hirschberg & Co.; Thomas Kingsley, manager Travelers; Herb Wehrenbrecht, General Insurers, and Dent Painter, state agent St. Paul Fire & Marine.

New License Hearing Ordered

LIMA, O.—Asserting that a man "may be a sinner today and a Christian tomorrow," Common Pleas Judge Lora ruled that Superintendent Crabbe was in error when he refused to grant a license to sell insurance to Glen H. Alexander, Lima, because a previous license had been revoked in 1940. He was ordered to give Alexander another hearing to introduce evidence that was prohibited at a hearing Nov. 9. The case was believed the first heard since Ohio law was changed to permit appeals in an applicant's home county. David M. Spriggs, representing the attorney-general's office, said it was unlikely the decision would be appealed.

Discuss Burglary Floater Forms

WICHITA—At the last meeting of the Wichita Association of Insurance Agents Bob Elwell of the Noble Agency, formerly with Aetna Casualty in Kansas City, conducted a lively discussion on the new burglary policy and personal property floater. The Hoffman-Modrell Agency was voted to membership, thus bringing the board membership to 41. Ross Little of the Fred Little Agency, chairman of the Fire Prevention Week committee, was complimented for bringing 6th place award to Wichita in the N. F. P. A. contest.

\$100,000 Katy Rail Shop Fire

Approximately \$100,000 insurance loss resulted when fire partially destroyed one of the Missouri, Kansas & Texas railroad shop buildings at Sedalia, Mo. Fire of undetermined origin started in a sand blasting room of the steel erecting shop in which a baggage car and two flat cars were being built. Most of the building and the cars were destroyed and the equipment was damaged. There was \$115,000 insurance on the one- and two-story brick building and \$75,000 on the contents, both carried in Transportation Mutual, Philadelphia.

Fitton Expands in Peoria

PEORIA—The Bertron C. Fitton agency here has taken over the Furst-Rouse Agency, with Mr. Fitton retaining his present offices at 805 Commercial Merchants Bank building and operating his expanded business from that location. The Furst-Rouse Agency was established in 1896 by W. T. Furst. At his death, in 1917, Miss Marion H. Rouse, who was associated with the business, took charge. Miss Rouse will maintain a personal, but inactive interest in the business.

Mr. Fitton, formerly with Oakford &

Fahnestock, wholesale grocers, for 38 years, in 1942 took over the agency established by his son in 1936. He was appointed treasurer of the Peoria Association of Insurance Agents last September.

Rogers Agency 15 Years Old

The Frank S. Rogers general agency of St. Paul is celebrating its 15th anniversary this year in the Minnesota and Wisconsin field. Before entering general agency work Mr. Rogers was special agent in Minnesota from 1916 to 1922 for Standard Fire of Hartford. He joined North British as state agent until 1929 when he organized the general agency. He has been in insurance in the northwest for more than 25 years.

Bond Discussion in Leavenworth

The Leavenworth (Kan.) Insurance Board will entertain members of the Leavenworth Bar Association at a luncheon Jan. 7 for a discussion on corporate surety bonds with Ross Heck, Aetna Casualty, representing the Surety Managers Club of Kansas City, as guest speaker.

Call Minn. Executive Committee

MINNEAPOLIS—Chairman Howard Williams has called a meeting of the executive committee of the Minnesota Association of Insurance Agents here Jan. 13 to talk over plans for the mid-year conference. The time and place probably will be set at that meeting. Speakers are now being contacted by Jesse Bradley, Duluth, convention chairman.

It is expected that Chairman William Knudson, Hibbing, will tell of membership campaign plans.

Columbus Mutual Club Elects

W. A. Loar, Motorists Mutual, has been elected president of the Mutual Insurance Club of Columbus, O. J. C. McDermott, Michigan Mutual Liability, is vice-president and T. M. Lintals, Mill Mutuals, reelected secretary-treasurer. Harold K. Brookhart led a discussion of fire problems facing agents and home and branch offices.

Ohio Classification Changes

The Ohio Inspection Bureau has announced changes in classifications as follows: Alliance, 7 to 6; Cuyahoga Falls, 6 to 5; Silver Lake, 9 to 8, and Warren, 5 to 4. All the changes were the result of improvements in the fire departments.

Meade Heads Topeka Insurers

The Topeka Insurers have elected Lakin Meade president, succeeding Erwin Keller, and Don Selsam, vice-president. Executive committee members include Charles Blakely, Jr., Fred Straley and Stanley Copeland.

Pomeroy Shifted to St. Louis

A. N. Pomeroy, resident adjuster of the Western Adjustment at Hutchinson, Kan., is being transferred to the St. Louis office.

Morris, Ill., Agents Elect

The Morris (Ill.) Association of Insurance Agents at its annual meeting reelected Harry J. Leach, president, A. H. Hilliker, vice-president, and Maurice Robinson, secretary-treasurer.

NEWS BRIEFS

The Sioux Falls Association of Insurance Women at its Christmas party had a number of entertainment features. Prizes were won by Clara Nelson, Queen City Fire; Thelma Conway, McKinney & Allen; Vera Schultz, Shaw Insurance Agency; Esther Lockhart, Mc-

Several Midwest Fires Cause Heavy Losses

Several fires in the past week or so have caused heavy insurance losses in the middle west. At Hays, Kan., the Masonic Temple building burned with a total loss of the \$25,000 insurance on building, \$3,000 on contents and \$2,700 on rents. The Scherer ladies' ready-to-wear shop carried a \$7,000 contents policy and this was total. The Wakeeney State Bank building burned with an estimated \$5,000 insurance loss, and the First National Bank building loss was total with \$16,000 insurance. There were a half a dozen occupants of the building carrying an average of \$1,000 insurance each.

At Minot, N. D., the building occupied by the stores of Alex Rosen & Bro. and C. S. Taube and contents were destroyed by fire. The insurance loss will be \$50,000. The companies on the line were Hartford Fire, North American, L. & L. & G., Northwestern Fire & Marine, Philadelphia Fire & Marine, Rochester American, and U. S. Fire.

\$75,000 Mason City Fire

There was more than a \$75,000 insurance loss at Mason City, Ia., when fire almost completely destroyed the Redin-cam Corp. building on which there was \$85,000 insurance. The Gamble-Skogmo store, with \$12,000 insurance, suffered heavy damage, as did the Mason City Globe & Gazette contents, on which there was \$18,000 insurance.

The Richmond (Ind.) Athletic Association building burned with a total insurance loss to building and contents of \$26,000.

The First Christian Church at Iola, Kan., was destroyed by fire. The \$27,000 insurance was in American Alliance, Atlas, and Continental.

Kinney & Allen, and Thelma Hagen, Home. The next meeting will be held Jan. 18.

The Pittsburgh (Kan.) Insurance Board held a meeting Jan. 2 on the topic "An agent is no better than the commission he earns."

The Hutchinson (Kan.) Insurance Women at a dinner meeting heard A. N. Pomeroy, resident adjuster of the Western Adjustment, review the history and operation of the organization.

Commissioner Newell Johnson will be the speaker at the Jan. 6 meeting of the St. Paul Association of Insurance Women.

EAST

Connors Nominated for Boston Board President

BOSTON—The nominating committee of the Boston Board has proposed this slate of officers to be elected at the annual meeting, Jan. 11: For president, Franklin J. Connors; vice-president, Franklin T. Towle; secretary-treasurer, James Davis; enforcing officer, John S. Caldwell; executive committee, Robert S. Hoffman, Jr., Converse Hill, Kenneth W. Faunce, Laurence H. H. Johnson, Jr., Frederick A. Bailey, Walter S. Attridge and Frederick W. Hill; advisory committee, to serve concurrently with the rates, rules and appeals committee of the board of governors of the New England Fire Insurance Rating Association for the Boston division for two years, Reginald A. Benting and

George B. Procter; handbook committee, Eben A. Thacher and John T. Keyes.

Cowles Agency Celebration

On the occasion of its 25th anniversary the E. S. Cowles & Son agency of Hartford held open house Wednesday afternoon.

A dinner meeting and Christmas party was staged by Worcester county members of the Massachusetts Association of Insurance Women in Worcester with 47 present representing Fitchburg, Westboro, Millbury, North Brookfield and Worcester.

SOUTH

Anti-Trust Suit Against Beaumont Insurance Exchange

Attorney General Mann of Texas as one of his last acts before retiring from office filed an anti-trust suit in district court at Bryan, Tex., against the Beaumont Insurance Exchange and all of its active members. The petition declares that 60% of the licensed recording agents of Beaumont are active members of the exchange, and alleges the creation of restrictions in trade and commerce; attempts to lessen competition in the business of insurance and agreements among members to preclude free competition.

The state seeks penalties of \$50 to \$1,500 a day from June 28, 1932, foreclosure of liens against properties of the exchange, forfeiture of charter and an injunction against agreements, conspiracies and combinations in restraint of trade in violation of the anti-trust and monopoly laws of the state.

It is stated that the main purpose of the suit is to attack the alleged practice of the exchange in denying membership to representatives of mutuals and other non-stock companies, and preventing members of the exchange from having any business relations with representatives of such companies. The exchange is also charged with a territorial agreement not to write any insurance, directly or indirectly, in the neighboring city of Port Arthur.

Big Fire at Lexington

Loss in the fire that destroyed three warehouse buildings and contents in Lexington, Ky., is estimated at well over \$100,000. Two of the four-story ware-

houses contained feed belonging to the Lexington Roller Mills Company and the third building was used for furniture storage by the Baugh & Garner Furniture Company. Each of the three buildings had separate ownership. The mill company was insured with mutuals.

Big Cotton Loss in Dallas

Fire causing an estimated loss of between \$375,000 and \$400,000 swept a warehouse of the Farmers & Merchants Compress & Warehouse Company in Dallas, Tex. W. A. Brooks, president of the company, said 3,600 bales of cotton were stored in the building.

C. B. Bruce Joins F.C.A.B.

Corbin B. Bruce has been added to the staff of adjusters of the Richmond office of the Fire Companies Adjustment Bureau. He was formerly connected with the city government of Richmond.

Tenn. Agents Have Good Year

NASHVILLE, TENN.—R. T. Cawthon, manager of the Tennessee Association of Insurance Agents, returning from a membership drive itinerary which carried him to every part of the state and put him in contact with hundreds of local agents, reports that all agencies and agents in Tennessee have had a good year, with an increase in premium income over previous years for nearly every one. He says 100% of the farm writing agents enjoyed an increased business for 1943.

Unless there is a strong demand for it by agents directly concerned, it appears unlikely that any action will be taken on the graded commission compensation plan until the meeting of the directors of the association in March. A special committee of the association is expected to make recommendations at that time.

The condition of A. E. Pipkin, Memphis local agent, who is in a hospital there with pneumonia, is reported improved.

Alexander Field Retires

SAN FRANCISCO — Alexander Field, veteran executive of Johnson & Higgins and for many years manager of the San Francisco branch office, retired from active business Dec. 31. R. L. Rowley, secretary and a director of Johnson & Higgins of California, has been named manager of the fire insurance department, which Mr. Field as executive head has supervised for more than 20 years.

PACIFIC COAST AND MOUNTAIN

Scott Slated as King County Head

SEATTLE—Willard H. Scott, M. B. Hevly-Scott Agency, now vice-president, has been nominated for president of the King County Insurance Association. Edgar L. Smythe, West & Wheeler, is slated for vice-president; W. C. Carlson, secretary-treasurer; Harold G. Myers, Alexander, Myers & Co.; W. S. Morgan, Vincent D. Miller, Inc.; and Robert T. McDonald, trustees. Hold-over trustees are E. R. Bowden, William Gasser and O. D. Starr.

The annual meeting will be held Jan. 12 at the Forty et Eight Veterans Club and installation will follow at the annual banquet. H. E. Briggs is chairman of the nominating committee and William Gasser is in charge of arrangements for the annual meeting.

L. & L. Names Stockmiller Assistant Coast Manager

SAN FRANCISCO—A. J. Stockmiller, since 1938 superintendent of agencies in the Pacific department of London & Lancashire in San Francisco, has been appointed assistant manager of the department. He first joined the organization eight years ago as a special agent in southern California. He had previously been with the Los Angeles office of the Pacific Board. The position of assistant manager in the Pacific department has been vacant since 1929.

Seattle Pension Difficulties

SEATTLE—A steady increase in the number of firemen on pensions rolls, without any corresponding increase in revenue, has forced the Seattle firemen's pension fund to go on a warrant basis for the first time in a number of years. W. C. Thomas, city comptroller, has announced. The fund has a \$74,382 deficit for 1943.

The next pension payments due on Jan. 10 will be paid in warrants bearing 2% interest.

Seattle banks are expected to agree to cashing the warrants without discount until April when first money from the 1944 tax levy becomes available. Mr. Thomas said he hoped this income would enable the fund to redeem all outstanding warrants and may permit the fund to return to a cash basis. The pension fund is financed by a 4% payroll contribution from the firemen, plus a property tax levy and an allocation from the state tax on fire insurance premiums.

It is expected that the pension system will have the attention of the 1945 legislature.

Taylor Gives Two Talks

Robert B. Taylor, special agent for Crum & Forster in northern California, spoke at a meeting of the Marin County Association of Insurance Agents Association, discussing the various types and forms of coverages available for contents, building and tenants of a hypothetical building. He also spoke to the Napa County Association of Insurance Agents on the same subject.

Moreton Salt Lake Speaker

SALT LAKE CITY—At the December meeting of the Salt Lake Association of Insurance Agents, President Fred A. Moreton of the National association gave some of the highlights of the recent executive committee meeting in New York, with special reference to committee appointments. He also explained the importance of the public relations program and referred to the many problems confronting the business as a whole, at the present time.

Led by J. A. Ottenheimer, chairman of the state association, an informal dis-

cussion was held on present licensing conditions, with apparently no signs of improvement over past years. Mr. Ottenheimer said a report will be made soon, listing all appointments, questionable and otherwise, with names of companies and general agents filing applications for licenses.

Cal. Surplus Line Men Elect

LOS ANGELES—The Surplus Line Association of California at a meeting here elected Robert J. Hall of Marsh & McLennan as chairman and John Field of the Pacific Marine Agency as secretary. Southern California executive committee members chosen are Gordon Campbell, W. E. Leiby and George H. Walker.

U. of C. Offers Insurance Course

LOS ANGELES—With a schedule of classes running from Feb. 1 to May 23, the University of California extension division is offering a course covering all lines of insurance for the benefit of both new and experienced company employees, agents, brokers, solicitors and others. The course is one approved by Commissioner Garrison as complying with the provisions of the brokers qualification law.

The entire course will be given under the supervision of Walter W. Bennett, secretary of the Insurance Exchange of Los Angeles, by practical insurance men, with special lectures by some of the best authorities in the insurance business in the city.

NEWS BRIEFS

G. Earl Williams, agency superintendent of Aetna Casualty in Los Angeles, lectured before the classes of the Insurance Exchange of Los Angeles on "Employers Liability."

R. C. Jenner of LaBow, Haynes Co., Seattle, present King County Insurance Association, is the father of a fourth boy.

A new local agency has been established at Everett, Wash., by W. F. Marshall. The firm's offices are at 1817 Broadway.

Cowan Agency at 50 Year Mark

The H. B. Cowan & Co. agency of Shelbyville, Tenn., recently marked its 50th anniversary. The agency was established by H. B. Cowan, senior member of the firm. Associated with him are his two sons in law, J. P. McDonald and E. L. Adamson. At a dinner representatives from the different insurance companies were present.

Aetna Fire and Hartford have been in the agency since it was established.

MOTOR

Hawaii's Used Cars Placed Under Ceilings, Rationed

WASHINGTON—A step towards establishing price ceilings on and rationing of used automobiles in Continental United States, it is believed, may be the recent promulgation of ceiling prices on such cars in Hawaii. OPA headquarters here states that the order was issued by Mel Robbins, OPA territorial director for Hawaii, effective Dec. 1.

It was explained that Robbins has

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authority to issue regulations and report them to OPA here. OPA headquarters did not see fit to make any announcement of Robbins' action, by way of the usual press release. Robbins' order covers more than 20 pages of the Federal Register of Dec. 22.

Upon inquiry, OPA spokesmen explained that the Robbins order was issued because of the limited number of used cars and the greater demand for them in Hawaii.

The demand for used cars is attributed to a migration of civilian workers to the territory, resulting in prices jumping to three or four times the cost of new cars.

OPA spokesmen say that responsible officials do not want to establish used car ceilings in Continental United States unless absolutely necessary as a last resort. However, it is admitted that there has been "lots of talk" about used car ceilings in OPA circles, and it is claimed that OPA is "ready for any eventuality" in that field.

Reluctance to imposing price ceilings for used cars is based partly upon a fear that if that action were taken a black market for such cars would promptly develop. OPA experience with other black markets is not reassuring.

The only way to deal with a used car black market, OPA officials believe, would be to impose rationing regulations. Admittedly, that would present many complications by reason of wide variations in makes, models, ages and conditions of used cars.

On the other hand, it has been urged by those favoring used car ceilings and rationing that new car quotas are lower than ever, only 60,000 remaining unsold, while the Office of Defense Transportation estimates that 125,000 passenger autos are leaving the roads monthly for lack of tires, parts, service, etc.

MARINE

Great Improvement in Ocean Marine

The situation is definitely improving for the ocean marine business, Henry W. Farnum, marine secretary of North America, states in the January issue of "The North America Fieldman." Private trade is expected to be revived at least in part in 1944 with North Africa and possibly Sicily and southern Italy as well. Operations in the east Mediterranean should facilitate trade with Turkey, Egypt and the Levant. Government control over foreign trade, he said, is being relaxed, at least in so far as commodities not in short supply are concerned.

Certain parts of trade, Mr. Farnum added, that now are almost entirely in the hands of a government corporation may be returned to private interests. There is a definite improvement in vessel space, and the allies' successes against the submarines indicates this improvement may continue. Many exporters who have not been able to ship since late in 1942 now are being offered space for overseas shipments.

Before Pearl Harbor, one of the important trades was the intercoastal route between the east and west coasts of the

United States, Mr. Farnum continued. Service in this trade was discontinued early in 1942. These services are expected to be resumed in 1944 and space for at least east bound sailings will be available to private shippers. The result should be a demand for intercoastal coverage from concerns handling west coast products such as lumber, canned fruits and canned fish.

Many manufacturers, Mr. Farnum writes, who have expanded their plants to handle war orders already are considering foreign markets after the war because they will have excess production over the needs of the domestic market, Mr. Farnum writes. This is not only true of concerns in export before but also of many others that heretofore sold nothing overseas. Mr. Farnum believes that marine insurance for such concerns should be under discussion now and should not be allowed to wait until the first shipments are on the way to the pier.

H. A. Warden Is Named in New York by Aetna Fire

Henry A. Warden has been appointed assistant marine manager of the New York department of Aetna Fire group. Mr. Warden is a graduate of New York University and began his insurance career in the casualty field, first with Globe Indemnity and later with Hartford Accident. In 1916 he became interested in marine insurance and joined Chubb & Son in New York where he remained until 1919. He then became associated with the New York office of Automobile and nine years later joined William H. McGee & Company. He went with Aetna Fire in 1928 as inland marine underwriter.

Ark. Approves Locker Cover

Commissioner Graves of Arkansas has announced a modification of the nationwide definition to permit coverage under the marine form of merchandise in cold storage lockers, effective Jan. 15.

S.E.U.A. Supreme Court Brief Is Hard Hitting

(CONTINUED FROM PAGE 1)

as boycott and disparagement of competitors, the brief makes the point that if the Sherman act is applied to fire insurance by reason of the alleged boycott and disparagement the act does not stop with forbidding an alleged boycott but also forbids cooperative rate determination and would apply to fire insurance generally.

"In other words, to apply the Sherman act to fire insurance to reach an alleged boycott means simultaneously to apply the act to the destruction of state curtailment of competition," the brief continues, adding that if the defendants are actually guilty of an illegal boycott the laws of the several states afford adequate means for punishment as the government itself points out in its brief.

Chaos for Years Inevitable

Emphasizing the conflict that the companies will face in the event they have to determine to what extent the Sherman act and to what extent state statutes apply, the brief points out that if the indictment is sustained chaotic uncertainty will inevitably exist for many years and that it will only be after a period of protracted litigation that anyone can tell what, if any, part of state regulation remains valid and enforceable.

"That such uncertainty will exist is in effect admitted by the government in its brief (page 130)" the brief states. "There the government says 'A rate so approved might well become the (lawful) act of the state government,' 'whether rates fixed in the latter group (of states) might, depends on how they were established' and the like. This uncertainty on the part of the government illustrates the tremendous uncertainty that will necessarily follow application of the Sherman act."

If a state chose to make membership

in a rating bureau mandatory the companies might or might not be guilty of violating the Sherman act, according to the government, the S.E.U.A. brief points out. If, on the other hand, the state chose to give the companies the option of belonging or not belonging to a rating bureau the government thinks that those belonging would clearly violate the Sherman act. Hence, the brief concludes, to maintain any regulation the states would have to enter upon a trial and error method, bringing each type of regulation to the Supreme Court for ultimate adjudication.

"In short, the insurance companies would have no safety zone in which their activities would be clearly legal," the brief emphasizes. "If they conducted their business in a manner clearly lawful under the Sherman act they would be faced with revocation of their licenses to do business in many states. If they attempted compliance with the state laws, they would face the criminal penalties of the Sherman act."

In this connection the brief refers to a letter from the insurance commissioner of New Jersey to the Van Nuys subcommittee which stated that if the court should now decide that insurance is commerce or interstate trade an extremely serious situation would at once

arise since many state regulatory laws, including those in New Jersey are in direct conflict. "This would create a most deplorable situation, causing a serious disruption in the orderly conduct of this business which is of such vital public interest," the letter stated.

After quoting letters from the Vermont and Wisconsin commissioners in the same vein, the brief adds that the confusion will be the more confounded by reason of the necessity for reinsurance and other agreements among fire companies providing for the sharing of large risks at fixed rates. If the Sherman act were held to apply to fire insurance, in place of state regulation, the validity of these agreements—not only as to future contracts—but as to those now outstanding—would be threatened and fire insurance itself endangered. All existing agreements might at once become illegal and void.

To back up its plea to the Supreme Court not to change the law as it has prevailed for so many years the brief quotes from the Supreme Court's decision in National Bank vs. Whitney, 103 U. S. 99 (1880), in refusing to change an established rule of law because of its effect on the welfare of the community: "The prosperity of a commercial community depends in a great degree upon

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the stability of the rules by which its transactions are governed. If there should be a change, the legislature can make it with infinitely less derangement of those interests than would follow a new ruling of the court, for statutory regulations would operate only in the future."

Not only chaotic uncertainty but retroactive criminal penalties would be involved in holding fire insurance to be commerce within the meaning of the Sherman act, the S.E.U.A. brief argues, pointing out that the fire companies did not ask for state regulation but fought it strenuously seeking federal regulation as a substitute. However, Congress consistently refused to act. Furthermore the Supreme Court by holding that fire insurance was not commerce compelled the companies to conform their business activities to state statutes. If the Sherman act is now applied to fire insurance the companies will be condemned for a uniformity of action expressly sought by the state regulation which the Supreme Court compelled them to obey and will be subjected to penalties, under what might well be termed an ex post facto theory of law for activities which until now were held to be legal.

STATE REGULATION

If fire insurance is held to be interstate commerce within the meaning of the Sherman act certainly the basic objectives of state regulations, namely, the power to control insurance companies through licensing, inspection and requirements for reserves and the power to compel or encourage uniformity in premium rates, will cease, the brief states, citing several Supreme Court decisions in support of this contention.

"State regulation, it should be clearly understood, is no half-hearted or piecemeal control of fire insurance," it states. "All phases—rates, commissions, cooperation, discrimination, rules, policies, taxation, reports, reserves, investments and dividends—are covered in detail in one comprehensive program. If fire insurance is interstate commerce as asserted by the government, this comprehensive and drastic regulation of all phases of that commerce cannot stand. Isolated provisions may escape destruction but any state program to regulate interstate commerce broadly must fall."

The Supreme Court in *Milk Control Board vs. Eisenberg Farm Products*, 306 U. S. 346, emphasized that state regulation of any comprehensive nature must be restricted to local matters "remotely affecting and wholly unrelated to interstate commerce."

That state regulation must fall if insurance is commerce was clearly recognized in the leading case of *New York Life vs. Deer Lodge County*, 231 U. S. 495, according to the brief, which quotes the following passages from the decision: "To reverse the cases would require us to promulgate a new rule of constitutional inhibition upon the states and which would compel a change of their policy and a readjustment of their laws. *** If insurance is commerce and becomes interstate commerce whenever it is between citizens of different states, then all control over it is taken from the states and the legislative regulations which this court has heretofore sustained must be declared invalid."

"To sustain the Atlanta indictment and thus invalidate state curtailment of

competition would destroy by a single stroke the result of years of state experience demonstrating that stability rather than competition in rate making best serves the public interests," the brief states.

Discussion of state regulation in the government's brief "adds little," the S.E.U.A. brief states.

"The government primarily urges that while the Sherman act will nullify inconsistent state regulation, if fire insurance is held to be commerce, nevertheless some of the state regulation will be saved," the S.E.U.A. brief states. "The grave doubts which the government expresses on this matter however demonstrate the weakness of this government contention. The government generally claims in most guarded language that 'we think it not improbable' that 'the rating bureaus, minus certain functions' might 'still operate, that this court will have to pass on the state regulation' in accordance with the 'relevant facts and circumstances.'"

Would Set Aside State Regulations

"The government then specifically admits that the Sherman act 'would' apply to set aside regulations of five states, asserts that whether the act would apply to 11 more 'might' depend upon how the rates were established and finally can only suggest that regulations of five other states 'might' well be upheld.

"The government next discusses what the effect would be if state regulation were nullified by the Sherman act. In this discussion however the government takes diametrically opposing positions. On the one hand the government argues that the nullification of state regulation would do no harm because the rating bureaus and attendant cooperative action are harmful to the public. It cites Insurance Commissioners Pink of New York and De Celles of Massachusetts and certain other writers as being critical of these bureaus. Further reading of these writers, however, reveals that they are very much in favor of the continued operations of such bureaus.

"On the other hand the government argues that the nullification of state regulation would do no harm because the rating bureaus and attendant cooperative action could continue with the department's blessing."

The brief scoffs at the idea advanced by the Justice Department that it could modify the Sherman act to permit "a large area in which insurance companies may cooperate" with assurance that the government would not "take issue" with them if they act within that area.

Four Other Main Points

In addition to the argument that application of the Sherman act would unsettle the law applicable to fire insurance and impose retroactive criminal penalties the defendants' brief submits four other main points: 1 The Supreme Court should not repudiate its uniform decisions of the past 75 years that insurance is not commerce. 2 Congress has accepted and approved the Supreme Court decisions that fire insurance is not commerce. 3 The states have curtailed competition in fire insurance in reliance on the Supreme Court decisions that fire insurance is not commerce. 4 The power of congress to regulate fire insurance is not here challenged.

In discussing the intent of congress the brief points out that "it is well to note that not only Congress but the

Department of Justice believed until this suit that fire insurance is not commerce within the meaning of the Sherman act."

Erected by Judiciary

"The government concedes that the department considered the law to be so clear on the subject that its 'failure to apply the act to insurance' was 'under the compulsion of decision,'" it states. "Even today the department's opinion of the existing law is that a 'barrier to application of the Sherman act to the insurance business has been erected by the judiciary' which 'only the judiciary can remove.'"

"The instant indictment represents the first effort by the government to apply the Sherman act to insurance since that act became law in 1890. This failure for over 50 years to attempt to apply the act to the business of insurance clearly points to the conclusion that Congress, the department and the courts uniformly viewed the act as not so applying and emphasizes the injustice of now suddenly so applying it."

The brief includes a detailed exposition of the development of state supervision and shows conclusively why unrestricted competition in insurance has proved bad not only for the companies but for the public.

The brief makes extensive use of the reports on fire insurance rating made by various legislative commissions, emphasizing especially the New York Merritt committee report of 1911, and various reports of the National Association of Insurance Commissioners. All of these show that competition should be restricted in the interest of the public.

Electrical Cord Is Now Available to Civilians

The War Production Board has issued an order authorizing the manufacture and sale of flexible copper electrical wiring for civilian use. Several months ago the engineering department of Marsh & McLennan, Chicago, warned that if standard electric cord was not made available to civilians to replace worn and defective cord that a serious fire hazard would result. The National Fire Protection Association contacted several government agencies but at the time copper was so scarce that the WPB could not promise any immediate action. The International Association of Electrical Inspectors also took up the cause and has conferred with WPB on the matter.

Shepard Returns to Laboratories

Robert B. Shepard has resigned as assistant director of the conservation division of the War Production Board in Washington to devote full time to his post as chief electrical engineer of Underwriters Laboratories at the New York office.

Mr. Shepard's duties while he was on loan from the laboratories were to set up programs for simplifying products so as to release critical materials and manpower for the war effort. He will continue to serve as the division's representative in contacts with the American Standard Association.

Agency Ranks Hit by Draft

Now that the drafting of pre-Pearl Harbor fathers is commencing in earnest, a large number of established local agents are likely to be in uniform in very short order. Many of those who seem destined to be taken very shortly are proprietors of successful agencies. It is supposed that many of the wives will look after the agency affairs of their husbands and they should be able to hold the existing business to a very large extent although only a few of them it is supposed, will engage in new production.

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North British Enters 135th Year of Business

North British is celebrating its 135th year in business and recalls that in the organization year, 1809, Napoleon was at the height of his power with most of Europe under his domination.

The company established its U. S. branch in 1866 with Ezra White as manager. Business at first was confined to New York City but in 1867 agencies were appointed in Philadelphia, Boston and then in other large cities. The company's first year premiums totaled \$175,519. In 1868 it joined the National Board, moved to 54 William street, and entered the south with an agency in New Orleans.

Chicago Fire Was Big Test

The first big test of the company came in October, 1871, with the Chicago fire, on which it paid \$2,330,000 as well as subscribing \$5,000 for the relief of sufferers. In November, 1872, the Boston conflagration cost the company around \$792,000. Losses in 1889 were particularly severe, with big fires in Seattle, Spokane, Lynn, Mass., Boston and elsewhere. The tornado which hit Louisville in that year, followed by serious fire, greatly stimulated tornado insurance and North British amended its charter to engage in that class of underwriting. In 1904 the company paid losses of \$859,000 in the Boston fire. Claims against the company in the San Francisco earthquake and fire amounted to \$4,000,000 and were so promptly adjusted that the company was included in the local newspapers' honor roll.

The company continued to open branch offices, but in 1894 these were abolished and replaced by agencies.

Following the retirement of Charles E. White as assistant manager in 1887, Associate Manager Blagden was made a full manager, and Deputy Manager Dudley was made assistant manager. Mr. Blagden resigned in 1894 and was succeeded by Henry E. Bowers, who served until 1900, when E. G. Richards became manager. After 19 years of service Mr. Richards resigned and was succeeded by Cecil F. Shallock, who now occupies that post. Mr. Shallock's insurance career, which includes years of service in England and in the Far East, began in Liverpool in 1891, more than half a century ago. During his almost quarter-century of management of the U. S. branch his astute and capable direction has resulted in the company's present favorable position.

Destroyer Explosion Raises Question of Cover

NEW YORK—The explosion of the destroyer Turner off Sandy Hook Monday resulted in considerable damage to houses in the vicinity, breaking windows and knocking oil burners out of operation and numerous inquiries are coming into insurance offices regarding recovery under the war damage policy.

Most of the companies are accepting applications for claims pending the disclosure of the cause of the explosion. If the ship struck a mine or was actually hit by a torpedo, there can be no question about the war damage policy covering the damages. However, if the accident was caused by a boiler explosion on the ship or some other natural cause, policyholders may not be able to recover under the war damage policy. In such a case extended cover applies.

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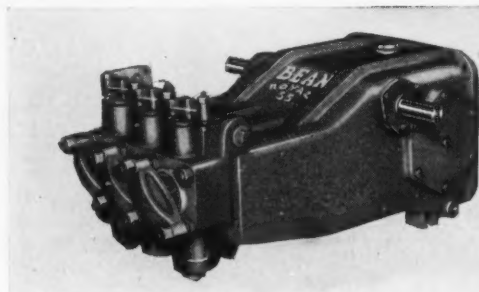
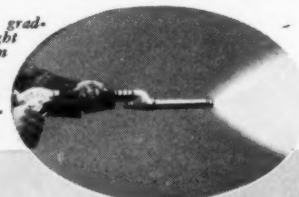
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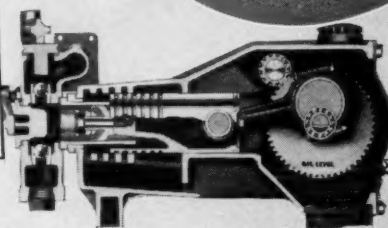
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